

stud Muffin

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Kurds Expect Iraqi Attack On Enclave, Envoys Say

By Chris Hedges

ARBIL, Iraq — President Saddam Hussein is preparing to attack the independent Kurdish enclave in northern Iraq in an attempt to retake part or all of the territory, Western diplomats in the region and Kurdish military commanders say.

The assault, which the officials said could start as soon as the first week of June, apparently would be intended to recapture Kurdish-held territory south of the no-flight zone that was established two years ago after Iraq's defeat in the Gulf War, the officials said.

Iraqi forces have been building up men and materiel along the 450-kilometer (280-mile) front line, Kurdish commanders said.

The Iraqi forces have moved long-range artillery, trucks and tanks up to the front in the last few days, said Jabbar Farman, defense minister for the Kurdish government.

The security zone is monitored by a small military mission in the border town of Zakho and patrolled by coalition aircraft based in Turkey.

Baghdad has imposed an embargo on trade with the 3.5 million Kurds in northern Iraq, isolating them from the rest of the country.

The Kurds, who formed their own government last year, also control areas south of the zone, most notably the city of Sulaimaniya.

Iraqi forces, numbering more than 100,000 men and equipped with tanks and helicopters, chase lightly armed Kurds along the front line.

Mr. Saddam "likes to provoke trouble when he can," said a source.

On West Bank, Jerusalem Road Leads Nowhere

By David Hoffman

ANATA, Israeli-occupied West Bank — On a hillside at the edge of Jerusalem, this Palestinian village has become a crossroads on the way to nowhere.

For generations, families in Anata had thought of themselves as part of Jerusalem.

But on March 31, the road was closed. Prime Minister Yitzhak Rabin, responding to a series of attacks on Israelis, sealed off the occupied West Bank and Gaza Strip from Israel proper.

The closure "until further notice" has now lasted longer than any other such action in Israel's 26-year occupation of the West Bank.

Hillary Clinton and the Politics of Doing Good

By Michael Kelly

WASHINGTON — Since she discovered, at the age of 14, that for people less fortunate than herself the world could be very cruel, Hillary Rodham Clinton has harbored an ambition so large that it can scarcely be grasped.

She is 45 years old now and she knows that the earnest idealisms of a child of the 1960s may strike some people as naive or trite or grandiose.

While an encompassing compassion is the routine mode of public existence for every first lady, there are two great differences in the case of Mrs. Clinton: She is serious, and she has power.

Her sense of purpose stems from a world view rooted in the activist religion of her youth and watered by the conviction of her generation that it was destined (and equipped) to teach the

world the errors of its ways. Together, both faiths form the true politics of her heart, the politics of virtue.

She is spurred now by a personal matter — the death of her father — and two considerations of practical politics: She recognizes that issues of public values and personal behavior are coming to dominate the politics of this millennial age — but that so far those issues have been mostly defined and

championed by conservative Republicans. She is moved by the impatient conviction that moderates and liberals have wanedly surrendered the adjective "religious" to the right.

faith in the ideas of its own design. It is very much a work in progress, but its emerging shape is, even by the standards of visions, large.

Driven by the increasingly common view that something is terribly awry with modern life, Mrs. Clinton is searching for not merely programmatic answers but for The Answer. Something in the Meaning of It All line, something that would inform everything from her imminent and massive health-care proposal to ways in which the state might encourage parents not to let their children wander all hours of the night in shopping malls.

When it is suggested that she sounds as though she's trying to come up with a sort of unified field theory of life, she says, excitedly, "That's right, that's exactly right!"

She is, it develops in the course of two long conversations, looking for a way of looking at looking at the world that would marry conservatism and liberalism, and capitalism and statism, and tie together practically everything: The way we are, the way we were, the faults of man and the word of God, the end of communism and beginning of the third millennium, crime in the streets and on Wall Street, teenage mothers and foul-mouthed children and frightening drunks in the parks.

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Tibetans Take To the Streets In Protest of China's Rule

Demonstration in Lhasa Is Largest Since 1989, Police Fire Tear Gas

By Nicholas D. Kristof

BEIJING — Hundreds of people in the Tibetan capital protested Monday against Chinese rule, in the most serious such demonstration there in the last few years, according to American travelers reached by telephone.

The authorities initially permitted the protest, but when it mushroomed they responded by firing barrages of tear gas at the protesters.

The demonstration, in Lhasa, reportedly began shortly after noon as a protest against inflation and the lifting of price controls on food.

By some accounts, there was scattered stoning of Chinese police cars, but by and large the protest was peaceful.

The tear gas dispersed the demonstrators, but some told foreigners that the protests would resume Tuesday.

The Chinese authorities did not release any information about the protests, and there was no indication of how they would respond.

The protesters marched several kilometers to the other side of Lhasa, to a Holiday Inn where a delegation of European ambassadors stayed last week.

The American witnesses said that by about 6 P.M. there were 500 or 600 protesters, and that the mood became much more political.

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The last major demonstration in Lhasa occurred in March 1989, when anti-Chinese rioting led the government to impose martial law for 13 months.

Tibet, a remote Himalayan region that China insists is an indivisible part of its territory, is overwhelmingly Buddhist and the inhabitants revere the Dalai Lama as their spiritual leader.

The Tibet Information Network, a London-based monitoring service, reported that the demonstration had included 3,000 to 4,000 people.

No Western diplomats are based in Tibet, telephone connections are troublesome, and the authorities ban Beijing-based journalists from visiting the region.



A Muslim refugee in the Bosnian town of Travnik walking past others in line Monday for food at a soup kitchen. The city's population has swollen as refugees flee the fighting.

Allies Defend Bosnia Plan, Hinting at Tougher Steps

By Paul F. Horvitz

WASHINGTON — The United States and its allies were forced Monday to defend their policy of containment in Bosnia-Herzegovina.

Under attack for timidity, they suggested that more might be achieved, including unspecified attempts to roll back Serbian territorial gains.

U.S., British and French officials sought to place the policy in its most positive light, saying

it was not the final one nor the end of the UN-brokered peace process in Bosnia.

In Washington, Secretary of State Warren M. Christopher said, "I think we have to judge the policy in terms of what is in the best interests of the people of the United States."

"This is not the final end of this policy," he added, but he gave no indication of how it might evolve.

Later, Mr. Christopher's spokesman, Richard A. Boucher, warned Serbian leaders, who

have welcomed the plan, against assuming that the U.S.-European policy favored their cause.

"If the Serbs somehow are emboldened by this," he said, "I would say that would be a mistake in judgment on their part. The sanctions are going to be rigorously enforced. We've already seen some effect on that. And these steps do continue the pressure and they'll continue to feel the heat."

The White House communications director, George Stephanopoulos, said that the plan,

which he called "interim," showed that the West was refusing to accept territorial conquest in Bosnia.

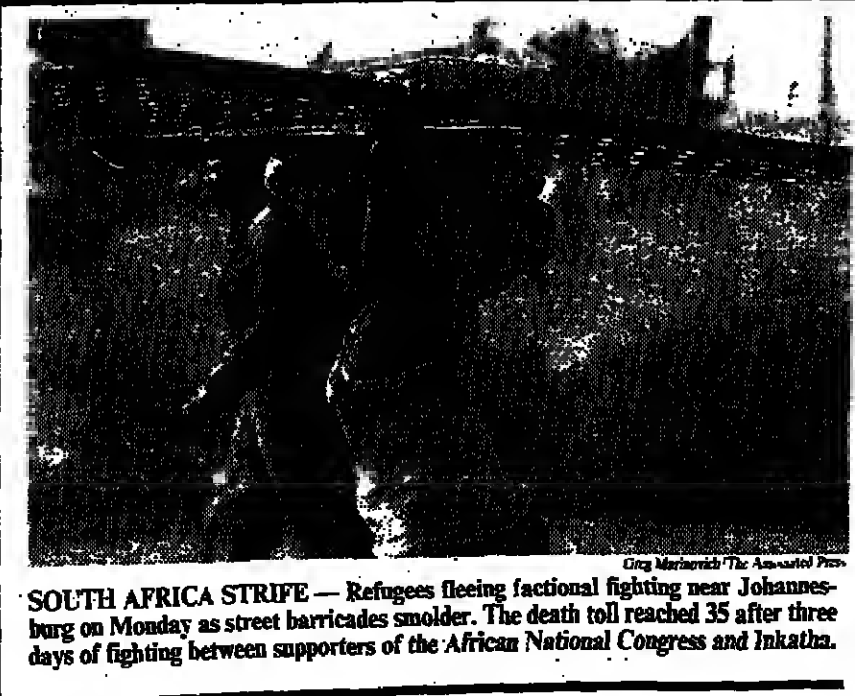
In London, the second-ranking official in the Foreign Ministry, Douglas Hogg, reacted to Labor Party criticism of the policy, saying, "We will do our utmost to get the Bosnian Serbs to roll back their occupation."

A Labor spokesman had termed the allied effort it was taken over by Daimler-Benz's Deutsche Aerospace AG unit.

Late Monday, Stern said in an advance copy that it had evidence Mr. Steinkühler purchased Fokker stock on March 8 for 10,000 DM.

Earlier Monday, Mr. Steinkühler, the architect of this month's strike by engineering and steelworkers that was Eastern Germany's biggest industrial dispute in 60 years, suspended

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SOUTH AFRICA STRIFE — Refugees fleeing factional fighting near Johannesburg on Monday as street barricades smolder. The death toll reached 35 after three days of fighting between supporters of the African National Congress and Inkatha.

German Union Head Offers To Quit in Shares Scandal

Compiled by Our Staff From Dispatches

FRANKFURT — The head of Germany's powerful IG Metall engineering workers' union, Franz Steinkühler, said Monday he was prepared to resign if the union's decision-making bodies called on him to do so.

Mr. Steinkühler is facing allegations of using insider knowledge in trade in shares in a company with which he has close links. He denies using the insider information for personal gain.

The German magazine Stern accused Mr. Steinkühler last week of using insider knowledge to make profits from shares in Mercedes Holding AG.

Mercedes is a shareholder in Daimler-Benz AG, where he sat on the advisory board.

Earlier Monday, Mr. Steinkühler, the architect of this month's strike by engineering and steelworkers that was Eastern Germany's biggest industrial dispute in 60 years, suspended

his membership on the board of Daimler-Benz.

Mr. Steinkühler admitted buying almost 1 million Deutsche marks (\$617,000) worth of Mercedes Holding shares before the Mercedes Holding-Daimler share swap.

However, he claimed he knew nothing at the time of preparations to merge Mercedes Holding with Daimler until the plans were announced on April 2.

He also said he had bought shares in Fokker NV, the Dutch aircraft manufacturer, just before it was taken over by Daimler-Benz's Deutsche Aerospace AG unit.

Late Monday, Stern said in an advance copy that it had evidence Mr. Steinkühler purchased Fokker stock on March 8 for 10,000 DM.

The takeover agreement between Deutsche Aerospace and Fokker was signed on March 16, and on April 1 the Daimler-Benz supervisory board

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Senate Confirms Lesbian in U.S. Post

WASHINGTON (AP) — The Senate on Monday confirmed the San Francisco supervisor, Roberta Achtenberg, a lesbian, to a top-level Clinton administration post in the Department of Housing and Urban Development.

The 58-to-31 vote followed a debate about her nomination as assistant secretary for fair housing and equal opportunity. Conservative Republicans attacked her opposition to funding of the Boy Scouts of America because of its refusal to admit homosexuals.

General News: An acquittal confirmed Japan's stereotype image of the United States. Page 3. Heavy turnout continued in Cambodia vote. Page 6. The allied plan for Bosnia relies a lot on Serbian compliance. Page 2. President Weizsäcker of Germany visited the Holocaust Museum. Page 7.

Business/Finance: France plans huge borrowing to spur jobs. Page 17. Krupp Stahl posted a big 1992 loss. Page 19. IBM and Apple team up with Japanese giants in multimedia. Page 16. South Korea's conglomerates think small. Page 20. Chess: Page 13.

Table with market data: Dow Jones (Up 14.95), Trib Index (Up 0.05%), The Dollar (New York, London, Paris, Frankfurt, Tokyo, Hong Kong, Singapore, Sydney, Taipei, Seoul, Taipei, Seoul, Taipei, Seoul).

Yuppie Shanghai Shows an Old Flair

By Suzy Menkes

SHANGHAI — It was once known as the Paris of the East. Suddenly, Shanghai is a yuppie city. Power couples stroll the sidewalks, she in a pale suit with glossy, lacquered hair, he with obligatory watch flashing under impeccable shirt cuffs.

Young working women in a froth of fresh white blouses and tidy skirts sit with Japanese execs in the Garden Hotel in the former French quarter. For others, the traditional shapless pants have metamorphosed into curvy trousers, with a satin shirt and one of the imitation quilted Chanel purses that are hot items at the Shanghai No. 1 department store — the city's Macy's-cum-Bloomingdale's on the Nanjing Lu shopping thoroughfare.

When the yuppies are on the move, she whizzes by wearing little white gloves and showing a length of pale hose under a flirty pleated skirt. His executive suit makes a two-wheeler seem like a Porsche.

Are the 1980s back already? Can this really be China and the new generation of the People's Republic? If fashion is the weather vane of social change, Shanghai is swinging — back to its prewar self.

"I came from Shanghai, and if I were to tell you the lifestyle we had — it was sumptuous."

Turning all this youthful energy and shopping frenzy into a buck is the current preoccupation of the fashion industry. Envoys of Hong Kong-based companies have long since reconnoitered Shanghai, often revisiting family homes abandoned when the city fell to the Japanese in 1937 or in the Communist takeover of 1949.

"They are very fashion-conscious, but now they like to have a name brand — it is very important because it says 'I have money,'" she explains.

Chn Chia Chien still has a tailor make her

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no link

ATP

Reality Sinks In For the Besieged Muslims of Bosnia

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — The hospital attendant was pushing lunch in on a cart Monday when U.S. warplanes started rumbling high overhead. Adriana Mijic, 16, her left leg wrapped in bandages, looked from soup to sky and back.

"I thought any day now they'll land at Sarajevo airport and protect us," said the slight, blue-eyed teenager. "Now they'll never come down to the ground. It's like they're up there forever."

With the figment of major allied intervention dangling over their homes and lives for the last month, the people on the mostly Muslim side of Bosnia-Herzegovina's front lines have been bitterly disappointed by the latest series of mild declarations from Washington designed to end the communal conflict here.

From President Alija Izetbegovic on down, citizens of besieged Muslim enclaves in Bosnia reacted with disillusion in the allied maneuver, which appears in acquiescence at least temporarily to the land grab by Bosnian Serb forces.

From her bed in Kosevo Hospital, Miss Mijic gazed more at the sound than at the warplanes which thunder daily over the capital, patrolling the "no-flight" zone over Bosnia.

"I wonder what they're thinking inside the cockpit," she said dreamily.

Miss Mijic was singing folk songs in a park with friends at sunset in the new section of town when a shell landed about 15 meters (50 feet) away. In all, 17 people were wounded when the mortar exploded; several lost limbs.

"How long can we go on like this," she asked.

Miss Mijic's confusion, normal for a girl of her age in a hospital bed with shrapnel in her leg, was shared by the Bosnian government.

Statements made Sunday by Mr. Izetbegovic and other Muslim leaders, who denounced allied weakness, contained little new in strategy to deal with Muslim isolation.

Dr. Lilijana Orus, a psychiatrist who has spent the last year treating the walking wounded of the war, described the government's reaction as a "classic state of denial."

"None of the politicians wants to face reality and that is a crime," she said from her room at Kosevo Hospital, one floor below the old office of Radovan Karadzic, the psychiatrist-turned-political leader of the

Bosnian Serbs. "Everybody, including the government, was counting on intervention like some type of dream. Nobody had the guts to see it was an illusion."

The allied plan presents the Bosnian government with an enormous problem, assuming the West does not reverse itself again and embrace military intervention. If the Sarajevo government rejects Mr. Karadzic's proposal for talks about the creation of three separate states, led respectively by Croats, Muslims and Serbs, it is left only with the land it currently occupies.

In the current jargon of the Balkans that consists of three "safe havens," the eastern Bosnian towns of Srebrenica, Zepa and Gorazde, a triangle, stretching more or less from Sarajevo to Tuzla; and a pocket around the northwestern Bosnian town of Bihać. The Muslim side controls little industry except what remains in Tuzla.



Jadran Topic, leader of the Croatian community in Mostar, leaving a UN armored vehicle to hold talks with Muslims on Monday. Within 15 minutes, the talks had collapsed, and the cease-fire was broken. The negotiators reportedly were divided by the issue of joint control over the civilian police forces. A UN spokesman said that the fighting later subsided and Mostar was quiet by late afternoon.

Even in Death, Ill-Fated Lovers Can't Escape Bosnia's Strife

SARAJEVO, Bosnia-Herzegovina — Serbian rebels and Bosnian Muslim authorities hickered Monday over who should claim the bodies of two young lovers, now rotting in a no-man's-land, who were shot trying to flee Sarajevo.

Bosko Brekic and Admira Ismic were killed Wednesday when they tried to escape in Serbia.

They were both 25. He was a Serb and she a Muslim. They had been sweethearts since high school.

Their bodies, locked in a last embrace, rest at the foot of Vrbanja bridge over the Miljacka river. Nearby, another corpse has been decaying for five months.

Mr. Bosko's mother, Radmila, pleaded for the couple to be buried together.

"The world must know about this," she said, speaking by telephone from Serbia, where she has lived since fleeing Sarajevo a year ago. Their "special love," she said, had been snuffed out by killers in a crazy war.

"This cannot last forever, the Muslims and the Serbs," she added. "I don't even know what to call them anymore. They cannot fight forever."

Neither side acknowledges firing the shots that killed the couple. The lovers reportedly struck a deal with local commanders for safe passage across the battle lines.

The United Nations Protection Force in Sarajevo said it would not retrieve the bodies unless Serbs and the Muslim-led government agreed to submit a request for help.

"We are not in charge of collecting bodies anywhere except at the airport, which we control," said Colonel Marcel Valentin, commander of UN troops in Sarajevo.

"If the two sides agree and submit a request for our assistance, I will examine the request," he said.

But the warring parties argued Monday over which side should be given the bodies.

The two sides were expected to discuss recovery of the bodies on Tuesday at UN-sponsored talks on the exchange of prisoners and war dead.

Yesko Gazbar, a Serbian officer, said he wanted to bring the bodies to the Serbian side.

He said he had asked UN forces to provide an armored escort into the no-man's-land, which is regularly swept by artillery and sniper fire.

"Our soldiers are willing to go, but we need the protection of the UN's armored personnel carriers because the Muslim snipers are always firing," Mr. Gazbar said.

Elvedin Memic, a Bosnian government official, said that the bodies must be brought to the Bosnian side.

"We agree they should be recovered, but they must be brought in our side," he said. "We want to inspect the bodies, then we can deliver the boy in the Serb side if they insist."

But Mr. Bosko's mother said her son should be buried with Admira, wherever the young woman's father decided.

She confirmed that she had given him permission to make arrangements for burial in Sarajevo.

"I know he will visit their grave and take care of it, and when all this is over I will be able to visit them," she said. "I do not want them separated," she added. "They have been together for eight years."

Safe-Area Plan Counts On Only Light Serb Assaults

By Michael R. Gordon
New York Times Service

WASHINGTON — The peacekeeping troops that would protect safe areas for Muslim civilians in Bosnia-Herzegovina under a new allied plan would have the capability to respond to small, localized attacks, but are unlikely to be large

enough to respond to a determined Serb assault, according to Western officials.

Under the "division of labor" worked out over the weekend by Washington and its allies, peacekeeping troops from Western Europe and Canada would assume the primary burden of defending the

Muslim citizens of Srebrenica, Gorazde, Zepa, Tuzla, Bihać and Sarajevo against Serbian attack.

U.S. and other allied warplanes would protect peacekeepers by launching air strikes against any Serbian forces that attacked the troops.

But even as the United States

and its allies work out the details of the military planning, they appear to be assuming that the Bosnian Serbs will not aggressively challenge the plan, which would not require the Serbs to relinquish their territorial gains in Bosnia.

So far, the "safe haven" plan has drawn praise from the leader of the

Bosnian Serbs, Radovan Karadzic, who appears to see it as a codification of those gains.

The idea of safe areas was broached last year by the Austrians as a way to slow the killing in Bosnia. Neither the United States nor other West European nations initially expressed much support.

Senior Clinton administration officials said that the plan would essentially seal a Serbian victory.

But after Secretary of State Warren M. Christopher failed to persuade the Europeans to go along with President Bill Clinton's plan to arm the Bosnian Muslims and protect them with air power, France began to press hard for the establishment of safe areas. And Washington embraced the idea in the name of maintaining unity within the Western alliance.

While the broad strokes of the plan were announced on Saturday with great fanfare, important military questions have yet to be resolved.

European nations have yet to say how many additional forces they will contribute to defend the safe areas. Rules of engagement, which determine how aggressive the peacekeepers can be in eliminating possible threats, have to be thrashed out. And the precise role of U.S. air power also needs to be defined.


The size and capability of the peacekeeping force is among the most important issues. The UN force currently in Bosnia to safeguard aid deliveries is too small to defend six safe areas, let alone take on the defense of others that might be established. For that, reinforcements would need to be sent.

In pressing the idea of safe areas, the French argued for the deployment of a large complement of U.S. and Russian ground troops, but Mr. Clinton has ruled out the deployment of U.S. ground forces.

And West European nations do not appear to have the will to send large numbers of additional forces on an open-ended mission of garrison duty.

As a result, some West European officials said that they expect that the number of additional troops to be sent will be kept to a minimum. One modest option before the West Europeans is to deploy 2,000 in 3,000 reinforcements.

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WorldCupUSA94

WORLD BRIEFS

Another Italian Socialist Investigated

ROME (Reuters) — A senior Italian Socialist was targeted in a corruption probe Monday on the eve of a crucial meeting about the future of the scandal-tainted party.

Magistrates in the northern city of Turin sent an official warning to Giusi La Ganga, head of the Socialist Party's parliamentary group in the Chamber of Deputies, that he was under investigation for corruption.

The Turin magistrates said they were investigating allegations that Mr. La Ganga, 45, accepted two bribes — one for \$160,000 and the other for \$130,000 — for public contracts. Part of the money was alleged to have been deposited in a secret Swiss bank account held by the Socialist Party.

Estonia Purchases Arms From Israel

TALLINN, Estonia (Reuters) — Estonia has purchased a consignment of arms from Israel in a break with the practice of equipping its army with Soviet-made weapons, government officials said Monday.

"It enables us to adopt NATO standards in arms and end our dependency on Russian armaments," said Prime Minister Mart Laar.

The defense minister, Ham Rebas, said Estonia planned to equip its infantry with non-Russian arms.

Japan to Remain in Whaling Group

TOKYO (Reuters) — Japan will remain a member of the International Whaling Commission in order to lobby against the creation of a whaling sanctuary in the Antarctic, Farm Minister Masami Tanabu said Monday.

Tokyo had threatened to withdraw after commission delegates voted last week in Kyoto, Japan, to extend a global ban on whaling for another year. Although the commission decided to put off voting on the proposal by France for a sanctuary, it approved the formation of a working group to examine the suggestion before its meeting next year in Mexico.

UN Troops Return to Beirut Airport

BEIRUT (AP) — UN peacekeeping troops made their first routine through Beirut airport in 11 years Monday, signaling renewed international confidence in the facility that had served as a haven for hijackers during the years of civil war.

A Norwegian Boeing 737, chartered from Braathens Safe, landed at 10:35 A.M. carrying 110 Norwegian soldiers and officers. They replaced the same number of compatriots serving in the 890-strong Norwegian contingent, the largest of the nine-nation United Nations Interim Force in Lebanon based in the south.

Australia Pleads for Timorese Rebel

CANBERRA (Reuters) — Foreign Minister Gareth Evans of Australia called Monday on Indonesia to reduce the life sentence imposed on a Timorese rebel leader, José Xanana Gusmao, and to consider giving East Timor more autonomy.

Mr. Evans told Parliament that "it would obviously be of great help" in achieving reconciliation if the rebel leader's sentence were to be "substantially reduced by presidential clemency." He added that "there were a number of specific problems with the overall fairness of the trial."

Eritrea Makes Independence Official

ADDIS ABABA, Ethiopia (AP) — Eritrea, formerly Ethiopia's north-eastmost province, became the world's newest nation Monday, two years after winning a 30-year war of independence.

At a ceremony in the capital, Asmara, at midnight Sunday, President Isaias Aferwerki, the most prominent leader of the independence struggle, declared a "moment of joy and resurrection for Eritrea" and appealed for international help to repair the war's damage.

For the Record

Angolan rebels said they recaptured the northern oil town of Soyo, which they occupied from January to mid-March. UNITA radio, monitored in São Tomé and Príncipe, said its forces had retaken the town Monday after a four-day battle.

Algerian forces shot and killed a Muslim fundamentalist wanted for allegedly killing a policeman four months ago, the press agency AFS said Monday. It said Ali Helouane was killed Sunday during a search in Boumerdes region, 40 kilometers (25 miles) east of Algiers.

President Abulfaz Elchibey of Azerbaijan ordered combat units confronting Armenian forces to hold their fire until Saturday when a ceasefire is due to begin, the Interfax press agency said Monday.

Correction

A Reuters photograph on Page One in Monday's edition incorrectly identified a soldier with United Nations forces in Cambodia. He is an Indian member of the Border Security Force.

TRAVEL UPDATE

The French railway network was expected to be hit Thursday by a strike, called by major trade unions to fight a plan that railway management said was aimed at cutting operating deficits. The strike was expected to begin at 8 P.M. Wednesday and last until 8 A.M. Friday.

Hong Kong and the Philippines will increase air links, Hong Kong's unofficial flag carrier, Cathay Pacific Airways, said. This will allow Cathay and Philippine Airlines to offer an extra 600 seats a week in both directions starting next month and 400 more in August.

The United States has barred Lebanon's national carrier, Middle East Airlines, from operating in the United States, its chairman, Abdel Hamid Fakhr, said Monday in Beirut. All MEA flights to the United States, as well as those of American carriers to Lebanon, have been banned since the 1985 hijacking of a TWA jet to Beirut. But the airline's Washington office and other branches had continued to issue tickets for listing Damascus, rather than Beirut, as the final destination.

U.S. officials demonstrated a "credit card" Monday at Newark airport to allow Americans and some foreigners to enter the country without waiting in the lines that plague airports. The card, already being tested, would be used with a palm print reader to permit frequent travelers to be electronically admitted without seeing an immigration agent.

55% in EC Poll Support Military Steps in Balkans

BRUSSELS — A European Community poll released Monday indicated that 55 percent of citizens favor European military intervention to stop fighting in the former Yugoslavia.

Support was highest in Italy and the Netherlands, the Community's Eurobarometer survey showed. In Denmark, Germany and Greece, only minorities backed military intervention. According to the poll, 28 percent of EC citizens opposed intervention and 17 percent were undecided.

Sixty-four percent of Italian respondents and 62 percent of the Dutch favored military action. Greece, which has strong traditional links with Serbia, was the least enthusiastic, with only 32 percent of those polled supporting European intervention.

In the two EC nations providing most troops to the United Nations peacekeeping force currently in the Balkans, 60 percent of British and 59 percent of French citizens backed military intervention.

The survey was based on responses from March 13 to April 15 by about 1,000 citizens in each of the 12 EC nations except Luxembourg, where 500 were interviewed. Also, 1,000 East Germans and 300 Northern Irish were questioned. No margin of error was given.

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STATESIDE / THE OKLAHOMA FACTOR

Politics and Oil Just Don't Mix Energy Tax Plan Angers Voters in Oklahoma

By Sam Howe Verhovek
New York Times Service

ELGIN, Oklahoma — It comes as no surprise to students of politics that two of the leaders of the revolt in President Bill Clinton's own party against his economic package are from Oklahoma — Senator David L. Boren and Representative Dave McCurdy.

Oklahoma voters, in a rage after the oil-price collapse of the 1980s led to huge tax increases in this oil-producing state, approved an amendment to the state's constitution saying there could be no more state tax increases without a direct vote of the people.

And if any new tax out of Washington could provoke particular ire, it is an energy tax. Oklahoma, after all, is the only state in the United States with a working oil rig on the grounds of its Capitol.

When the Democratic Party made a campaign pledge last year to reinvigorate the economy, they took back the White House and maintained control of both houses of Congress, and there was much talk of finally breaking the political deadlock in Washington.

But in Oklahoma — a state where nearly two-thirds of the people still call themselves Democrats, even though George Bush won the state in last year's election — there is intense pressure on elected officials to fight any tax increases. And there is considerable doubt that the increases that Mr. Clinton wants will ever be used, as he pledges, to cut the deficit.

Here, the mistrust of government that seems to be everywhere today is being exacerbated by a vigorous industry campaign against the energy tax. The campaign has included television commercials and full-page newspaper advertisements that say taxpayers will be paying extra "every time you drive your car, turn on the lights, wash your clothes and cook your meals."

To be sure, some Oklahoma Democrats argue that now is the time for loyalty to the party — and for getting with the president's program.

"Somebody needs to send both Daves a telegram saying, 'Hey, we won in 1992,'" Representative Mike Synar said.

But both Mr. Boren and Mr. McCurdy say they are the ones being loyal to the "New Democrat" theme on which Mr. Clinton campaigned and won.

"In a sense we're saying, 'Let Clinton be Clinton,'" Mr. Boren said Sunday in Washington. The senator, who led a bipartisan group in offering an alternate deficit-cutting plan last week, said Mr. Clinton had betrayed his roots by calling for \$340 billion in tax increases.

Mr. Boren said the president should have proposed to cut more spending.

"Sometimes when you see a friend go astray," he

said, "the best thing to do is tell the friend the truth." [The White House said Monday that Mr. Clinton would press for his broad-based energy tax in Congress "as it is." The Associated Press reported.]

Mr. McCurdy, who had considered running for president himself before endorsing Mr. Clinton and campaigning in 36 states for him, said opposing him now was "the most painful thing I've had to do" as a member of Congress.

"But I hear it day in and day out," said Mr. McCurdy, who came to the football field in this southwestern Oklahoma farming town to address the 62-member graduating class at Elgin High School. "The phone rings off the hook, not only from constituents, but from people around the country. They're just shocked at the apparent shift in position, the fact that what we campaigned for is not being shown."

There has been no final decision in Washington on whether there will be an energy tax, and on whether such a tax will be imposed directly on the people who pull oil and gas out of the ground or, down the line, on people who buy it to run their cars or heat their homes. But in Oklahoma, it seems to be an article of faith that any energy tax would be disproportionately bad for the state.

Industry leaders, saying higher energy costs would be a burden for everybody, from manufacturers to farmers, have said job losses would total as many as 11,000 in the state — a number of uncertain origins that nevertheless seems to have stuck.

One advertisement, apparently mocking the president's plan to tax energy on the basis of its heat content in British thermal units, says the so-called Btu tax really stands for "Buy thermal underwear" or "Big-time unemployment."

Some economists here have suggested that the structure of the tax would actually encourage development of natural gas; Oklahoma has even more natural gas than oil. But that argument has been all but drowned out.

The chief problem that the president's program has run into in Oklahoma seems to be a widespread feeling that it is too heavy on tax increases and too short on spending cuts.

"The general perception a lot of people have is that we thought he was going to be a kind of conservative or moderate Democrat," said Larkin Warner, a professor of economics at Oklahoma State University. "But a lot of people here feel, well, what happened to that rhetoric about tightening up on welfare? What happened to a dollar in cuts for a dollar in taxes? They feel they're getting some signals now that it's not that way at all."



The father of Yoshihiro Hattori talking with reporters in Baton Rouge, Louisiana, after a jury acquitted the man who shot and killed his son, an exchange student.

For Japan, Acquittal Confirms Worst View of U.S.

By T. R. Reid
Washington Post Service

TOKYO — An acquittal in Louisiana in the Halloween shooting of a Japanese exchange student may well have as much social impact here as the first Rodney King trial had in the United States.

When a Baton Rouge jury on Sunday delivered a verdict of not guilty in favor of the man who shot and killed a 16-year-old Japanese exchange student last October, the verdict immediately became Japan's top news.

The press took it as confirmation of the worst stereotypes of the United States — a sick country, according to the reports, that has lost greatness amid nagging social problems and constant fear.

"With the collapse of their economy and tension between the races, Americans spend their lives full of anger and fear," wrote a Hosei University professor, Rinzji Sotai, in a typical comment. "And they really believe that their guns will protect them."

Japanese commentators compared their own gunless and largely crime-free society to America. "Japan has always looked up to America," said the TV-Asahi commentator, Takashi Wada. "But now, which

society is more mature? The idea that you protect people by shooting guns is barbarian."

Such comments reflect the sharp recent decline in respect that the Japanese have traditionally held toward the United States, long their chief ally and mentor in world affairs. The change in national mood has clearly been accelerated by the verdict in the Baton Rouge killing, known in Japan as the Freeze Case.

Yoshihiro Hattori, a foreign exchange student, was looking for a Halloween party and accidentally went to the wrong house. The homeowner, Rodney Pearls, 32, shouted "Freeze!" — a command the Japanese boy evidently did not understand — and then fired at close range with a large-caliber pistol.

Initially the U.S. media treated the case as just another accidental shooting, hardly news in a country that had some 10,000 handgun killings last year. The horrified reaction in Japan prompted Americans to follow the case more closely. It became a major cause for both sides of gun control.

Nonetheless, a recurrent theme in the Japanese reports was that Mr. Pearls won acquittal because most Americans consid-

er it normal to shoot an unknown visitor at the door.

Television has repeatedly shown interviews with neighbors describing the defendant as a fine person. Countless American men-in-the-street interviews have been broadcast here since the verdict, and virtually all have said that Mr. Pearls did the right thing if indeed he felt he was protecting his family. Similar interviews in Japan failed to uncover a single person who agreed with the verdict.

There also seemed to be a sense among the Japanese that government in America somehow supported the shooting. This view was strengthened when Melinda Schlegmann, the Louisiana lieutenant governor, speaking on ABC's Nightline broadcast in Japan, seemed to express as much concern about her state's tourism industry as about the dead boy. "We have to remember," she said, that last year Louisiana "had 500,000 international visitors and most people hopefully went home with a positive attitude."

Japan's government did not join the harsh chorus. Attitudes toward possession of guns are based on the different histories of various countries, said a government spokesman. But the Japanese press described a country beset with drugs, unem-

ployment, street crime and fatal shootings in suburban front yards.

In a commentary in the Yomiuri Shimbun, the nation's largest newspaper, a Hitotsubashi University professor, Masao Horibe, compared American suburbs to war zones in the Third World. "Just as life is dangerous for Japanese peace-keeping troops in Cambodia, so it is dangerous for our tourists going to America," he wrote.

The shooting was particularly shocking to the Japanese because such an incident is all but inconceivable here. Ownership of almost any weapon — including guns, swords and daggers — is illegal in Japan. Even in organized crime, guns are so rare that gang battles are usually fought with fists or kitchen knives. There is so little street crime that the Japanese language does not have a word for mugging.

Comparing that state of affairs to current America, many reporters allowed a tone of moral superiority to seep into their commentary.

"It is said that the ready acceptance of guns in America is just the result of a cultural difference," said Japan's most popular news anchor, Hiroshi Kume of TV-Asahi. "But over there — how can you call it a culture?"

★ POLITICAL NOTES ★

Down to the Sea With a Drug Manufacturer

WASHINGTON — Over Memorial Day weekend at the end of this month, 20 or 30 congressional staff members and their spouses will be entertained at Connecticut's quaint Mystic Seaport maritime center as guests of Pfizer Inc., a major pharmaceutical company.

The free getaway offers meetings with scientists and tours of the company's nearby research center, according to the invitation. But it won't be all work. There will be a lobster dinner, food and drinks at a hotel hospitality suite, and side trips to the harbor and aquarium. Of course, there will be informal talks with company officials, too.

"This is not lobbying," insisted Ken Bowler, one of two Pfizer lobbyists organizing the event. "My spin on this is that it is very informative. People can see what we're doing. There's time to actually talk to scientists."

Even though it is indeed decent educational and violates no ethics rules, the junket could not come at a more opportune moment for the company.

As an internal memo from an industry coalition noted, President Bill Clinton has identified pharmaceutical manufacturers as "public enemy No. 1" in his fight for health-care reform. Some form of restraint on drug prices may be part of Mr. Clinton's plan.

Price controls, like the rest of Mr. Clinton's package, will require congressional approval. As a result, congressional staff members are expected to play an important role in influencing their bosses on the complex legislation.

Even in a city where lobbying is pervasive, the battle over health care revision is shaping up as the most bruising and expensive in history. As the administration's plan moves toward completion, interest groups of all types are moving into the fray, and the price of all of the lobbying is expected to exceed \$100 million. (LAT)

Environmental Agency is Called Ineffective

WASHINGTON — The Environmental Protection Agency is so hobbled by lack of funds, internal mismanagement and outside political intervention that it is largely unable to enforce environmental laws and protect the public, according to a new study.

The analysis by the Center for Resource Economics concludes that 23 years after its creation, and despite a dedicated staff, the agency "has been unable to accomplish its mission" and "cannot ensure that American communities and industries are in full compliance with a single federal environmental law."

"EPA cannot say with certainty that the pesticides and toxic chemicals we use are safe," continues the 20-page report. "It has been unable to achieve satisfactory attainment with clean-air and safe-water standards. The progress in the cleanup of hazardous waste sites is slow and ineffective. Waste management is an oxymoron, and the enforcement program issues penalties that are so low that illegal pollution is a cost-effective practice." (WFP)

Aspin's Doctors Happy With All but His Tennis

WASHINGTON — Two months after having a pacemaker implanted, Defense Secretary Les Aspin is setting off on two European trips and playing tennis in his spare time.

Mr. Aspin's doctors, while pleasantly surprised at his recovery so far, are fretting over his insistence on playing occasional tennis games against their advice.

"He has responded very dramatically to the pacemaker and is doing better than expected," said Dr. David Pearle, Mr. Aspin's cardiologist. "But I've expressed to him that I'd rather he not play tennis. I don't want him pushing himself on physical activities."

In late February, Mr. Aspin, 54, was placed in intensive care after suffering breathing difficulties related to a mild but potentially serious congenital heart condition. Three weeks later, he was hospitalized again with a bronchial infection, and doctors decided to implant the pacemaker.

Mr. Aspin suffers from hypertrophic cardiomyopathy, a thickening of the heart muscle that can impair the heart's ability to pump blood. When he was first hospitalized, the Pentagon said the thickness of his heart muscle had increased since his heart problems were first diagnosed in 1991. (NYT)

Quote/Unquote

Former President George Bush on coverage of his unsuccessful campaign for re-election: "After the election, the media started having seminars on 'were we fair to George Bush?' I don't think they would have held the seminars if they didn't know the answer." (AP)

High Court Ends Total Cover for FBI Sources

The Associated Press

WASHINGTON — The FBI may not automatically withhold from public disclosure the names of all sources it contacts during criminal investigations, the Supreme Court ruled Monday.

The court, ruling unanimously in a New Jersey case, said the Federal Bureau of Investigation was not entitled to such a blanket exemption from the Freedom of Information Act's disclosure requirements.

The case involves a convicted murderer, Vincent J. Landano, who sought his FBI files in an effort to win a new trial.

"It may be true that many, or even most, individual sources will expect confidentiality," Justice Sandra Day O'Connor wrote for the court. "But the government offers no explanation, other than ease of administration, why that expectation always should be presumed."

Congress did not give the FBI such an automatic exemption from the Freedom of Information Act, she said.

She added, "When circumstances such as the nature of the crime investigated and the witness' relation to it support an inference of confidentiality, the government is entitled to a presumption."

The ruling was not a strict defeat for the FBI. It set aside a U.S. appeals court ruling that said the FBI must demonstrate it promised confidentiality to each source whose identity it wants to protect. The FBI said this would harm its ability to protect its sources.

Justice O'Connor said judges should take a "more particularized approach" in deciding whether the identities of sources should be disclosed. The information act exempts disclosure of information gathered for law enforcement purposes that "could reasonably be expected to disclose the identity of a confidential source."

18 Indian Soldiers Die In Apparent Accident

The Associated Press

NEW DELHI — A bomb went off at an army firing range, killing 18 soldiers and injuring nine people in Kashmir, where troops are fighting Muslim rebels.

The bomb went off Sunday at midnight in Leh, 1,250 kilometers north of New Delhi, United News of India reported.

U.S. Court-Martial Accepts Lesser Plea in Gay Sailor's Killing

Washington Post Service

YOKOSUKA, Japan — A U.S. Navy court-martial formally accepted a sailor's guilty plea on Monday in the killing of a gay shipmate, a case cited by homosexual-rights groups as proof of anti-homosexual feelings in the navy.

Alizans Apprentice Terry M. Helvey pleaded guilty to "murder with intent to inflict great bodily harm" for beating Seaman Allen R. Schindler Jr. to death in October. The crime carries a maximum sentence of life in prison. By pleading guilty to this

charge, Mr. Helvey avoided a trial on the charge of premeditated murder, which carries a death sentence.

After accepting the plea, the court-martial at the U.S. Navy base here began a sentencing hearing. The prosecutor, Captain Steven Marciano of the Marine Corps, said the government would seek the maximum sentence.

The murder of Mr. Schindler, described by U.S. homosexual-rights groups as a classic case of "gay-bashing" in the military, has

gained prominence amid the national debate over President Bill Clinton's proposal to end the ban on homosexuals in the military.

Mr. Schindler and Mr. Helvey were mates on the ship the Belleau Wood. In September, Mr. Schindler informed the ship's captain that he was a homosexual. While he was awaiting the obligatory dismissal from the navy, word of his sexual orientation reportedly spread among the crew.

On Oct. 27, just before the ship was to begin a three-week cruise, crew members

held parties in Sasebo, Japan, the ship's home port, near Nagasaki. Late that night, Mr. Helvey met Mr. Schindler in a city park that was said to be a meeting place for homosexuals. The indictment says that Mr. Helvey, who was trained in martial arts, beat Mr. Schindler in a public restroom at the park.

The victim's wounds were so severe that military police had difficulty identifying the body.

— T. R. REID

Drugs: A New Road via Mexico

By Tim Weiner and Tim Golden
New York Times Service

WASHINGTON — Cocaine smugglers working with Colombian drug cartels are starting to set up factories, warehouses and trucking companies in Mexico to exploit the flood of commerce across the border under the North American Free Trade Agreement, U.S. intelligence and drug-enforcement officials say.

Mexican smugglers are buying and setting up companies as fronts for drug trafficking, said a report written by an intelligence officer at the U.S. Embassy in Mexico City. The phenomenon was confirmed by a senior U.S. drug-enforcement official, who declined to be identified.

The cocaine traffickers "intend to maximize their legitimate business enterprises within the auspices of the new U.S.-Mexico free-trade agreement," the report said.

The document said traffickers planned to invest in

trucking and warehousing businesses in Mexico as conduits for drug shipments. They have also started to buy into a special type of manufacturing and assembly plants, known as maquiladoras, as fronts for drug shipments, the senior U.S. official said.

Under a program established in 1965, maquiladoras have special tariff exemptions. Their products, assembled from U.S. component parts that move into Mexico duty-free, are then returned to the United States with minimal inspection.

"A lot of intelligence demonstrates the drug traffickers' ties to maquiladoras," the U.S. official said. "They are investing in these plants for shipments to the United States."

Gary Hufbauer, a senior fellow at the Institute for International Economics and author of a favorable book about the trade pact, said the huge increases in traffic under the agreement would provide a major cover for drug traffickers.

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- James Porter, 58, an unfrocked Roman Catholic priest, has been released from jail in Stillwater, Minnesota, after serving four months for molesting a teenage baby sitter in 1987. He is awaiting trial in Massachusetts on dozens of criminal charges accusing him of sexually abusing children while serving as a priest. He maintains he is not guilty.
- The Union of American Hebrew Congregations, the central body of Reform Judaism, has urged the government of Israel to make it easier for an estimated 150,000 immigrants to marry in Israel.
- Seven people, including four children, died in an early morning house fire in Batesburg-Leesville, South Carolina, but two women escaped with two small children, the authorities said.
- A woman's gold necklace apparently saved her life by stopping a stray bullet fired in a nearby gang fight in Torrance, California. Rafaela Ramos suffered only a minor wound from the .22-caliber slug found embedded in her necklace, the police said.
- An Army panel recommended an honorable discharge for a Minnesota National Guard veteran, Captain Pam Mindt, 33, because she is a lesbian. Captain Mindt said the military "missed an opportunity to do the right thing."
- All 350 ducks living on canals near Venice beach, in Los Angeles, must be destroyed to prevent a viral outbreak from spreading to migrating birds that visit the seaside community, wildlife officials said.
- Thousands of New York City's most violence-prone novice criminals will soon be summoned to intensive therapy sessions of four hours a week or more, while less risky offenders will be monitored electronically by simply reporting to automated kiosks.

Seoul Fires 3 Commanders To Rid Politics of Military

Reuters

SEOUL — President Kim Young Sam dismissed the chairman of the joint chiefs of staff and two army commanders Monday in an unexpected reshuffle aimed at forcing the military out of politics.

The move was made "to end the military's participation in politics, which has swayed our constitutional history, and to let the military devote itself to fulfilling its sole, sacred duty of national defense," a spokesman for Mr. Kim said. "This military reshuffle will be the last to close an old era."

Mr. Kim named the chief of the air force, Lee Yang Ho, as chairman of the joint chiefs, replacing Lee Pil Sup, who had been due to end his two-year term this December.

"It is the first time in our military

Truce Is Broken In Afghan Capital

Reuters

KABUL — Artillery fire and gunshots broke an informal cease-fire in the Afghan capital Monday, and government troops and their guerrilla opponents said they were ready for more fighting.

Heavy machine-gun fire rattled through the western suburbs, and roads were empty of civilians on the second day of an unofficial truce aimed at ending nearly two weeks of fighting that has killed more than 1,000 people and injured 5,500.

Most guns had remained silent in Kabul on Sunday, three days after the leaders of the nine main factions called a nationwide cease-fire and announced a new cabinet. But in a southwestern suburb, residents said rockets fired from the government-controlled Television Mountain had killed two women working in a small bakery.

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OPINION

INTERNATIONAL Herald Tribune

Better Than Nothing

After rejecting President Bill Clinton's plan to help the Bosnian government defend itself, Britain, France, Russia and Spain have won U.S. agreement to a less ambitious proposal. The new plan, if it can be implemented, is less than adequate but better than nothing.

Back Down to Earth

The Strategic Defense Initiative has finally been brought down to earth, where it belongs. 10 years and \$32 billion after President Ronald Reagan first dreamed up the space-based anti-missile shield.

Somebody Has to Pay

Critics complain that Bill Clinton's plan for reducing the deficit relies too much on tax increases and not enough on spending cuts. Spending cuts are put forward as the rugged and virtuous approach, tax increases as somehow profitable.

Other Comment

Cynical Expediency Fails

The relief in Western capitals is as palpable as it will be short-lived. Ministers believe that after weeks of embarrassed incoherence, they have steered policy on Bosnia into a safe haven.

For America in Europe, the End of an Era

By Anthony Lewis

BOSTON — "It's the end of an era," a veteran diplomat said — "the era of American leadership and power in Europe."

should be used if necessary to stop the Serbian holdups and get relief supplies through. But the allies' communiqué on the new plan tuncely says they "will insist that all parties allow humanitarian aid to pass without hindrance."

accepted the Serbs' "sovereignty" in areas of Bosnia they have seized. In short, the allied plan looks like a fig leaf to conceal the effective acceptance of Serbian conquests.



In Canada's View, We Are Our Brother's Keeper

By Brian Mulroney

The writer is prime minister of Canada.

LONDON — Bosnia is clearly at the top of the agenda. To say the world faces crucial choices there is more than an understatement.

conflict in the Balkans and an invitation to trouble elsewhere. A related lesson, U.S. participation in major international security problems is a prerequisite for success.

Beijing Should Be Told to Play by the Trade Rules

By Philip Bowring

HONG KONG — The debate in Washington over renewal of most-favored-nation status for China is exposing the contradictions inherent in the "special relationship" that the United States has accorded to China for the past decade.

to it by a ratio of 2.5 to 1. The gap may close a bit this year, but the United States will remain the key to China's export-led growth.

evidence that China's predatory exchange-rate policy is undercutting export prices for products from tin to toys. Even if East Asia is benefiting, there is no reason it should be favored at the expense of other regions.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen

Calpage and... ton's Most... A NAFTA, But With Europe... WASHINGTON — Bill Clinton is in a quandary over his predecessor's North American Free Trade Agreement.

OPINION

Scalpgate and Travelgate: Clinton's Most Costly Trim

By William Safire

WASHINGTON — As the white flag of surrender flutters over the White House, the main concern inside is not with the weakness of Christopher of Foggy Bottom but with the ridicule generated by \$200 presidential haircuts from Christopher of Beverly Hills.

But reporters stuck on tarmacs waiting for late charter flights will scratch away at Scalpgate.

decisions on Balkan and health policy and forced instead to measure voter dismay over "Hair Force One."

President Clinton was so carried away by the need to enhance his appearance that he was oblivious to appearances. People read a certain arrogance into a president's willingness to tie up an international airport for 45 minutes while Christophe does his pricey rinse-clip-and-set.

President Clinton's image of manly informality has been blown away by a hair dryer. After he reads the working stiff's reaction to the return of Hollywood royalism, down-home "Bill" (to avoid being called "Prince William") will fire Christophe. We hope he will not seek to cover his embarrassment by ordering an FBI probe of the hairdresser's billing practices.

But reporters stuck on tarmacs waiting for late charter flights will scratch away at Scalpgate: Where is the contract for Christophe's "family services"? Has he been paid yet, and how much? Does Christophe include his expense of traveling to meet the Clintons, or does he absorb that and reduce his usual fee to return for the publicity? If so, is he making a valuable gift to the Clintons — as dress designers did to Nancy Reagan — which must catch the interest of the Internal Revenue Service.

That reference to press flights brings

us to the amalgam of Hollywood cynicism, "distant" nepotism, the old spoils system operating under a new self-righteousness, and an unremarked abuse of the Justice Department — all quickly dubbed "Travelgate."

Harry Thomason, a Hollywood pal of the Clintons who produced the inaugural extravaganza, wanted part of his payoff in the form of a shot at the White House travel business. Bill's Cousin Cathy made a pitch to replace the seven longtime employees with Clintonites who would recognize the magic Thomason name. To provide a cover for this divvying of the election spoils, an accounting firm was hired to nail the old-timers for past sloppiness.

That's politics; there is no job security in the White House. But when the press turned up Cousin Cathy and her friends, somebody in the White House made an improper call to somebody at the Justice Department. We should find out who — maybe the de facto attorney general, Webster Hubbell, Hillary's law partner; perhaps FBI Director William Sessions, who seems ready to do anything for the White House to save his job.

Within hours of the White House demand, an extraordinary FBI statement was issued — on Justice Department stationery — that there was "sufficient information for the FBI to determine that additional criminal investigation is warranted."

Don't just kick 'em out — kill 'em. That was an abuse of power. White House pressure to prosecute is now heavy, but the presumption of innocence has not been repealed.

If the accountant's report suggested any crime, it should have been promptly given to the FBI; employees should have been given their rights, informed of the charges and given a chance to respond.

Instead, seven people with families were not only canned, but their reputations were blackened and chances to get another job removed by a politically motivated FBI press release. Why? To provide a law-enforcement cover for an embarrassing display of raw patronage.

Bill Clinton may get away with this riding-roughshod over civil liberty; he may even get away with the vastly greater error of abandoning the suffering Bosnians. But there is some poetic justice in the way he will pay for trying to swagger through his presidency with \$200 haircuts from Christophe of Beverly Hills.

The New York Times.



LETTERS TO THE EDITOR

What East Europe Lacks

Regarding "Reform Has Won in Russia" by Jeffrey D. Sachs and "In Poland, Reform Has Meant Pain and Division" by Konstanty Gebert (Opinion, May 5):

What China has had that Russia and Eastern Europe do not have is a large influx of private foreign capital from ethnic Chinese entrepreneurs in Hong Kong and Taiwan who are taking advantage of China's abundant cheap labor and working conditions to establish manufacturing bases for exports.

Hong Kong keeps 3 million people employed in Guangdong Province (three times its own working population). And the recent talks in Singapore between representatives of Taiwan and China set unofficial estimates for Taiwan investment in China (mainly the southeast) at \$5 billion to \$10 billion. What foreign businesses are investing that much in Poland?

Capitalism is driven by private capital, not by government-to-government aid. If sooner or later no one from the private sector in the West or Asia invests in Russia and Eastern Europe, then those places will be doomed to continued hardship and economic stasis.

JOSH DAVIS, Taipei.

A Hollow Victory?

Senator Bob Dole's apparent victory over Bill Clinton on the emergency spending bill was in fact a grave blow to the unemployed. The inner cities are smoldering and need help quickly. This money would have helped some of them. I would like to ask Mr. Dole a question: If your son had suffered for 12 years

under Reaganomics, would you have acted in the same manner?

PETER G. KOTSONIS, New York.

Voting in Italy

Why propose either proportional representation or a simple majority voting system for Italy? Going from one extreme to the other merely exchanges one excess for another. Because of Britain's first-past-the-post system, to which Italy seems headed, the British are governed by a party that long ago lost its mandate to rule. One must ask, is Italy making progress or is it merely changing?

I would like to suggest a compromise for Italy: a system of limited proportional representation in which a party must receive at least 12.5 percent of the vote — one vote in eight — to be represented in parliament. In this way, single-issue and other fringe parties are prevented from choking the system, and yet people need not feel excluded from the process just because they constitute a smallish minority.

CHRISTOPHER J. HUGHEY, Bergen, Norway.

No Sexist Conspiracy

Regarding "Lots of Crazy Feminist Thought in Silly Books" (Meanwhile, April 28) by Katherine Knorr:

Something that has needed saying for a long time is Katherine Knorr's trenchant comment: "Sexual harassment is real, but most of what is called sexual harassment isn't." What in the past would normally have been seen as a pleasant effort to get acquainted is now interpreted by deluded extremists as assault.

A most illuminating statement is the myth-shattering assertion that men are not engaged in a conspiracy against women. Anyone who truly believes that all men are joined in a secret campaign to ravish or otherwise demean women, as various writers have said, has simply never known a nice man. Men who do that sort of thing are sick, and only a minuscule minority of men are afflicted with this kind of illness.

JUDSON GOODING, Paris.

Wreathed in Smoke

Regarding "Europeans Find Hot Air in U.S., but Not Enough Smoke" (April 24) by Lynda Richardson:

This article, criticizing the imposition of smoking restrictions in the United States, contains a profound flaw in logic.

A man eating a huge rare steak with béarnaise sauce at a restaurant table adjoining mine may be endangering his own health but will have absolutely no impact on mine. But if that same man lights a cigarette he endangers the lives of his fellow diners.

It is the increasing understanding of the dangers of secondhand smoke that has engendered this "puritanical" drive to outlaw smoking in public places in the States, particularly places that are partly or entirely enclosed, such as restaurants and airplanes.

Being inundated with other people's tobacco smoke can lead to serious medical conditions, most notably lung cancer and emphysema.

KEITH L. LOSTAGLIO, London.

Between Valley and Sky, Halfway Up a Swiss Wall

By Hans Koning

LOCARNO, Switzerland — Some 20 years ago I lived awhile in an old stone house in a Swiss valley. I've come back to it and found neither the little town it is part of, nor the landscape, much changed. A pleasant surprise this, because the region is certainly a tourist target. But the laws of Switzerland are now very protective and, more to the point, mountains are clearly the best protection that nature can provide for itself against humanity's restlessness. I'm not going to hold forth about that: This is about my valley.

The valley is in the Ticino, the Swiss canton that looks out onto the great lakes, the Lago Maggiore and Lago di Lugano,

MEANWHILE

and beyond them to the plains of northern Italy. As it descends from west to east, it opens up and ends up cradling Locarno. How beautiful those lake towns are! The diplomats of prewar Europe didn't do too well keeping the peace but they surely knew how to pick the locations for their summit conferences — Locarno, Como, Seregno. My little town is 18 miles (30 kilometers) to the northwest of Locarno and 2,400 feet (730 meters) above it. The road passing the old stone house (above roof level) is the only valley road, and it climbs on to the last Swiss town, Spruga, from where it narrows to a track that crosses the Italian border and then dwindles to nothing.

The road runs along the north wall of the mountains. The south wall has no road, only paths, with a sporadic farm as lost looking as the hut of Robinson Crusoe, and with a couple of chapels with no discernible access: They were built precisely on the most unthinkable spots to give proof of the faith of their builders.

On the valley floor, way, way down, runs the river, a bed of stones and boulders with a small stream that every so often becomes a flash flood. Sometimes I can hear it in the silence of the night, but I cannot see it. It would be a climb down that is beyond me. The road, then, divides the mountain in two parts — one above me, one below me. The road is really like one long, thin, step along a slope of some 70 degrees, but it doesn't give even a lowlander like me a dizzy spell. On the contrary, it gives an exhilarating sense of space, of freedom to breathe.

My explanation is that the mountain wall above you defines your share of sky, so to speak. It is as if you had staked out a claim right above your head. Walking along with so much rock wall below you and so much above you, gives you (cliché as it may sound) a sense of flying. Nineteenth-century illustrators — Daumier, for instance, and Riou, who did Jules Verne — were great in getting across this illusion of being lost in space — even better than present-day photographers.

For those of us who feel that cars and asphalt make for too much civilization, there is always the other side of the valley, where the landscape calendar is a century behind. At times I see a farmer there with a basket of hay on his back, climbing a seemingly vertical path. There a farmer can indeed fall out of his field. But these people are no longer poor, and on my road, mules have given way to Toyotas.

But the finest thing on the road are the autostopisti. They are the mail buses that connect the communities, the motorized versions of the famous Swiss post coaches of old. Their positions used to sow terror in the hearts of oncoming travelers, for when they blew their three-tone horns, all other vehicles had to give way. In a blind curve, the post coach hugged the mountainside, while the other vehicle had to take its chances.

Such is still the rule, in essence. The autostopista horn, pressed by foot (for the driver has his hands full), still gives that same signal and it still commands priority. But if an oncoming driver should lose his or her cool and not dare pass, the postate driver will put on his automatically locking hand brake and drive the other car past for its owner. I hate the noise of car horns as much as anyone, but there is something majestic about that signal, a sense of power and security. I was told it was borrowed, from the "Guillaume Tell" overture, but I think it more likely that the postillon came first and that Rossini borrowed those haunting notes from his horn.

Of course, those buses run true to the minute; their drivers would be ashamed to do otherwise. They stop at each community's post office along the road, where the driver picks up and drops off the mail. In most places, no one can pass while this goes on, but there is no audible impatience. How could there be — this is the essence of valley life. Almost every man or woman on the road seems to know the drivers and exchange greetings. I've seen a man simply stick an express letter under the autostopista windshield wiper as it stood at its platform across from the Locarno train station.

That kind of thing is one of the blessings of all life in small regions and close communities. But here I also find a taste of the shared dangers of the mountains, even now, when helicopters have taken the place of Saint Bernard dogs with brandy kegs. Last week, a car went through the guardrail in the middle of the night and fell some 600 feet before being stopped by the trees. At dawn someone saw the gap, and the local doctor, who is always on call, was lowered to the car in a net. He is used to that, too. "Those railings are just decoration," he told me. He found the driver still alive, and a helicopter took the man to Locarno, where they say he has a good chance of surviving.

International Herald Tribune.



Singapore Girl. All around the world.



Prisoners showing voting cards Monday at a Phnom Penh prison known as T3, said to have held hundreds of political prisoners for years.

Cambodian Turnout Defies Guerrillas

By William Branigin

Washington Post Staff Writer

PHNOM PENH — Khmer Rouge guerrillas and peasants in rebel-held zones trekked to polling stations throughout Cambodia on Monday to vote in an election organized by the United Nations, as officials said the turnout was approaching 70 percent of the 4.7 million registered voters.

At the end of the second of six scheduled days of voting, UN officials said the turnout was approaching 70 percent of the 4.7 million registered voters.

The turnout represented not only a show of enthusiasm for Cambodia's first free multiparty election in 43 years but also a massive repudiation of the Khmer Rouge's call for a boycott on the ground that the election was aimed at legitimizing the government in Phnom Penh that had been installed by Vietnam, displacing the Khmer Rouge, in the late 1970s.

Voters are choosing a 120-seat constituent assembly that will be asked to write a constitution for the country under a 1991 UN peace plan. The assembly then is to convert itself into a legislature as the

basis for a new government. The Phnom Penh administration of Prime Minister Hun Sen has predicted a landslide victory, but the turnout suggests a strong opposition showing.

Opposition leaders hope to be able to form a coalition headed by the royalist United National Front for an Independent, Neutral, Peaceful and Cooperative Cambodia, which advocates giving strong executive powers to Prince Norodom Sihanouk.

In a speech to Buddhist monks and nuns, the 70-year-old former monarch and current nominal head of state appealed to the Khmer Rouge to abandon violence and "follow the path of the Lord Buddha."

The Khmer Rouge, blamed for more than a million deaths during a reign of terror in the late 1970s, halted a 13-year guerrilla war when it signed the 1991 peace plan but has since reneged on the accord and resumed fighting.

In scattered Khmer Rouge efforts to disrupt the voting, at least one Cambodian in Kompong Cham Province was killed when several mortar rounds forced the closing of local polling stations. But on the whole, voting continued amid relative calm, and there were signs of disunity in Khmer Rouge ranks over the leadership's stated opposition to the election.

In the western town of Poipet near the Thai border, about 200 Khmer Rouge guerrillas armed only with voter registration cards issued by the UN turned up at a polling station and cast their ballots, said a spokesman for the UN peacekeeping mission, Eric Falt. He said UN officials welcomed the

apparent change of heart by some guerrillas, especially in an area in which suspected Khmer Rouge gunners had shelled a polling place only the day before.

According to Reginald Austin, a professor from Zimbabwe who heads the electoral unit of the UN Transitional Authority in Cambodia, peasants in Khmer Rouge-held zones in northern Cambodia trekked as much as 30 kilometers miles to reach polling places to vote.

The Khmer Rouge last year allowed voter registration in some areas it controlled but later confiscated many inhabitants' registration cards. Even so, Mr. Austin said, Cambodians whose cards had been lost or confiscated still could vote through a system of "tendered ballots," in which eligibility can be checked later against computerized

records. He said there were indications that the Khmer Rouge had even returned some people's cards so that they could vote normally.

"The situation is really remarkable and very fortunate," he said. As the election campaign heated up in recent weeks, Khmer Rouge guerrillas in different parts of the country attacked UN peacekeepers and installations several times, spread leaflets threatening harm to Cambodians who voted and broadcast fierce propaganda against the election.

Why the Khmer Rouge has not made good its threats remains shrouded in the group's penchant for secrecy. Analysts theorize that the guerrillas may not be strong enough to do more than they have done, or that some leaders recognized the unpopularity of their anti-election position.

4 Israel Troops Slain and 3 Wounded By 'Friendly Fire' in South Lebanon

The Associated Press

JERUSALEM — Two squads of Israeli paratroopers mistakenly fired on one other in southern Lebanon on Monday, killing four soldiers and wounding three, the army said.

The gunbattle broke out in the central sector of Israel's self-declared security zone in southern Lebanon, an army announcement said.

The army said the soldiers were carrying out an operation, and "as a result of a misunderstanding" in the field, "both forces exchanged

fire that cause the injuries." It said the shooting was under investigation.

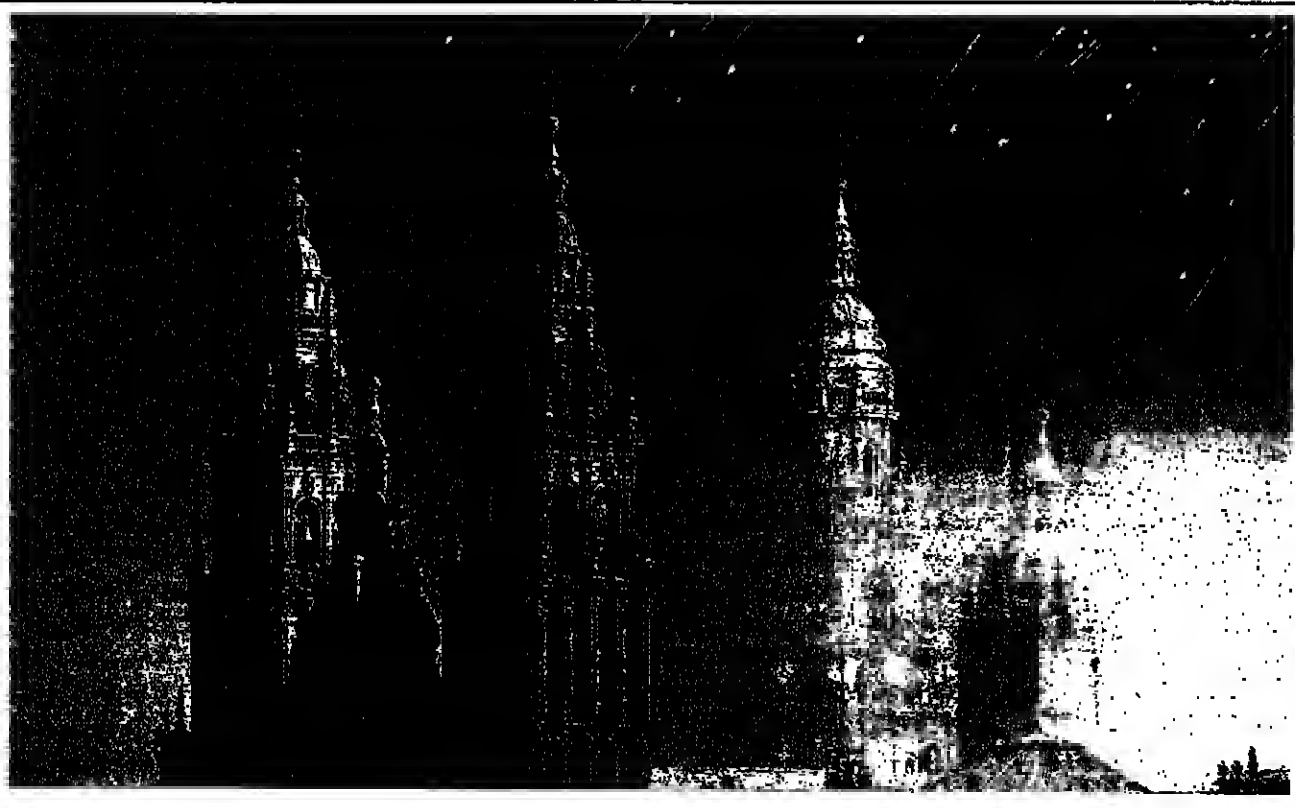
The incident was the worst army blunder since five soldiers were killed by a misfired missile during a training exercise Nov. 5 in the southern Negev.

Israeli radio reports said Prime Minister Yitzhak Rabin and the army chief of staff, Lieutenant General Ehud Barak, went to the army's Northern Command to hear first reports from soldiers in the field. Mr. Rabin also is defense minister.

Powell Meets With Major

The Associated Press

LONDON — General Colin Powell, chairman of the U.S. Joint Chiefs of Staff, on Monday discussed the situation in Bosnia with Prime Minister John Major and other British leaders on what was essentially a farewell visit ahead of the general's retirement in September. No details were disclosed.



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Heinzsacker. Museum. Faces the Holocaust

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Weizsäcker, VISION: Embracing Politics of Doing Good, Hillary Rodham Clinton Is Seeking a National Renewal and a New American Way

At Museum, Faces the Holocaust

Compiled by Our Staff From Dispatches WASHINGTON — President Richard von Weizsäcker of Germany, after visiting the Holocaust Memorial Museum here, declared that violence and racism would not again gain ground in Germany.

Who has seen this museum will never forget it in his life," the German president said as he left the museum. Mr. Weizsäcker told the B'nai B'rith on Sunday evening that he hoped the Jewish organization would one day be as large in Germany as it was before World War II. In 1928, B'nai B'rith had 103 lodges in Germany, he said.

(Continued from page 1) the cynicism of the press and the corrupting role of television, the breakdown of civility and the loss of community. The point of all this is not abstract or small. What Mrs. Clinton seems — in all apparent sobriety — to have in mind is leading the way to something on the order of a Reformation: the remaking of the American way of politics, government, indeed life. A lot of people, contemplating such a task, might fall prey to self-doubts. Mrs. Clinton does not blink.

"It's not going to be easy," she says. "But we can't get scared away from it because it is an overwhelming task." The difficulty is bound to be increased by the awkward fact that a good deal of what Mrs. Clinton sees as wrong right now with the American way of life can be traced, at least in part, to the last great attempt to find The Answer: the liberal experiments in the reshaping of society that were the work of the intellectual elite of ... Mrs. Clinton's generation.

The crusade of Hillary Rodham Clinton began on April 7 in Austin, Texas. There, speaking from notes she had scribbled on the plane, she moved swiftly past the usual thanks and jokes to make an extraordinary speech: a passionate, at times slightly incoherent, call for national spiritual renewal.

The Western world, she said, needed to be made anew. America suffered from a "sleeping sickness of the soul," a "sense that somehow economic growth and prosperity, political democracy and freedom are not enough — that we lack at some core level meaning in our individual lives and meaning collectively, that sense that our lives are part of some greater effort, that we are connected to one another, that community means that we have a place where we belong no matter who we are."

required "to play our part in redefining what our lives are and what they should be." "Let us be willing," she urged in conclusion, "to remold society by redefining what it means to be a human being in the 20th century, moving into a new millennium."

It is easy to mock this sort of thing, and some people immediately did. What asked The New Republic in a question the first lady finds to be a perfect, small example of the cynicism she deplores, was all that supposed to mean? Mrs. Clinton has been groping toward a serious answer to that question for much of her life, reading her way from the Methodist founder John Wesley to Paul Tillich, Reinhold Niebuhr and Dietrich Bonhoeffer, three left-of-center theologians who sought to link their religious beliefs to a critical involvement in politics and government, to, most recently, Michael Lerner, a liberal Jewish thinker who coined the phrase "politics of meaning," which Mrs. Clinton adopted in her Austin speech.

She gropes still. "I don't know; I don't know," she begins, when asked to define her philosophy. "I don't have any coherent explanation. I hope one day to be able to stop long enough actually to try to write down what I do mean, because it's important to me that I try to do that, because I have floated around the edges of this and talked about it for many, many years with a lot of people, but I've never regularly kept a journal or really tried to get myself organized enough to do it."

But she is well along in her musings. Working her way through a thicket of theories and ideologies, she offers in language that is a mix of Bible and Bill Moyers, of New Testament and New Age, a tentative definition of what she believes. "The very core of what I believe is this concept of individual worth, which I think flows from all of us being creatures of God and being imbued with a spirit," she says. She speaks carefully, sitting upright and leaning slightly forward at a small table in a neat and modest White House garden.

"Some years ago, I gave a series of talks about the underlying principles of Methodism," she goes on. "I talked a lot about how timeless a lot of scriptural lessons were because they tied in with what we're looking at as human beings. If you break down the Golden Rule or if you take Christ's commandment — Love thy neighbor as thyself — there is an underlying assumption that you will value yourself, that you will be a responsible being who will live by certain behaviors that enable you to have self-respect, because, then, out

of that self-respect comes the capacity for you to respect and care for other people."

"And how do we just break this whole enterprise down in small enough pieces?" she said. "Well, somebody says to themselves: 'You know, I'm not going to tell that racist, sexist joke. I don't want to do that.' What do I get out of that kind of action? Maybe I should try to restrain myself."

"Or somebody else says: 'You know, I'm going to start thanking the woman who cleans the rest room in the building that I work in. You know, maybe that sounds kind of stupid, but on the other hand I want to start seeing her as a human being. And then maybe the next step is I say to myself: 'How much are we paying this woman who works the 3 to 11 shift? And who's taking care of

she said, "we have to first create a language that would better communicate what we're trying to say, and the policies would flow from that language."

The problem with the language goes right to the core of the question of what it all means. Is there one unifying idea that is at the heart of the politics of meaning?

"I don't think there is one core thing," Mrs. Clinton says. "I think this has to be thought through on a variety of planes. I don't think there is one unifying theory."

Meanwhile, words somewhat fail her. "It is like when you tell someone for the first time that you love them," she says. "You're not fully aware of what that means, but it's the best effort you can make to kind of convey the full range of emotions and feelings and intentions and expectations that you can articulate at the time."

But there actually is, as the mists of the New Age mysticism slip away, a hard core and a clear line to Mrs. Clinton's message. It is, fundamentally, an old and very American message, one that goes purposely beyond the normal boundaries of politics, into the territory of religion. It is concerned not just with how government should behave, but how people should. It is the message of values, not programs. It is the message of the preacher, a role Hillary Rodham Clinton has filled many times, delivering guest sermons from the pulpits of United Methodist churches.

It seems odd at first to contemplate Mrs. Clinton in such terms. The public debate over her that swirled throughout the 1992 presidential race centered on two lesser questions — how leftist was she and how hungry for power — but failed to consider the larger point of her life.

In an election that Republicans failed to win on the strength of much the same sort of "values" issues that Mrs. Clinton now talks about, one thing the Democratic candidate's wife was not was a moralist.

The politics of Hillary Clinton are indeed largely liberal (although the postelection evidence indicates, no more so than those of her husband), but they are of a liberalism derived from religiosity. They combine a generally "progressive" social agenda with a strong dose of moralism, the admixture of the two driven by an abundant faith in the capacity of the human intellect and the redeeming power of love.

They are, rather than primarily the politics of left or right, the politics of doing good, flowing directly from a powerful and continual stream that

runs through American history. From Harriet Beecher Stowe to Jane Addams to Carry Nation to Dorothy Day: from the social gospel of the late 19th century to the temperance-minded Methodism of the early 20th century to the liberation theology of the 1960s and 1970s to the pacifistic and multiculturally correct religious left of today. The true nature of her politics makes the ambition of Hillary Rodham Clinton much larger than merely personal. She clearly wants power, and has access to more of it than any first lady since Eleanor Roosevelt. But that ambition is merely a subcategory of the infinitely larger scope of her desires to make the world better, as she defines better.

Hillary Rodham was born in 1947, into the world she wishes to restore, a place of security and community and clear moral values, to Hugh and Dorothy Rodham and raised in the solidly upper-class, solidly conservative Chicago suburb of Park Ridge, Illinois. Her childhood was, by all accounts including her own, grounded in the old-fashioned, uncomplicated absolutes of her parents' ethical code.

"My father was no great talker and not very articulate, and wouldn't have known Niebuhr from Bonhoeffer from Havel from Jefferson, and would have thought a conversation like this was just goofy," Mrs. Clinton said in an interview several weeks after her father's death on April 7. "But he gave me the basic tools, and it wasn't fancy philosophical stuff."

"He used to say all the time, 'I will always love you but I won't always like what you do,'" she said. "And, you know, as a child I would come up with 900 hypotheses. It would always end with something like, 'Well, you mean, if I murdered somebody and was in jail and you came to see me, you would still love me?'"

"And he would say: 'Absolutely! I will always love you, but I would be deeply disappointed and I would not like what you did because it would have been wrong.'"

The lesson Mrs. Clinton drew from this is one she says is at the core of her philosophy. "It was so simplistic," she said, "but it was so helpful to me, because, I mean, it gave me the basis of unconditional love that I think every child deserves to have — and one of our problems is that too many of our children don't have that — but it also gave me from the very beginning a set of values based on what I did."

Next: Lessons in the uses of power.

'Let us be willing to remold society by redefining what it means to be a human being in the 20th century ...'

Hillary Rodham Clinton

her kids while she's here working? And how do we make it possible for her to be able to both be a good parent and perform a necessary function?" "And these are little pieces, and a lot of those little pieces can be done on a very small scale that then aggregates. So I think what we're basically, what we're really looking at is, you know, millions and millions of changes in individual behavior that are motivated by the same impulses, even if we're not doing a very good job of describing them."

This rambling passage seems to validate the New Republic's impertinence. What does it all mean? It is, as it turns out, a fair question. The meaning of the politics of meaning is hard to discern under the wrappings of New Age language that blanket it. Mr. Lerner, who has been expounding on the subject for several years in the pages of Tikkun, a magazine of liberal Jewish thinking, has described the new politics as all about "how to build a society based on love and connection, a society in which the bottom line would not be profit and power but ethical and spiritual sensitivity and a sense of community, mutual caring and responsibility."

Mrs. Clinton says the right language remains to be invented. "As Michael Lerner and I discussed, States to re-examine its investment in the alliance. "In recent years," the letter said, "our allies have argued for the maintenance of a significant number of American troops in Europe as a means of preserving European stability. However, the inability of NATO to act effectively to contain and stop a major war on European soil is bound to raise grave doubts among both the American people and the Congress about whether the enormous yearly investment we make in NATO is reaping sufficient benefits."

Although the letter was sent one day before the allied plan was announced, a member of Mr. Lugar's staff said Monday that the senator's view had only been reinforced by the weekend developments.

BALKANS: Allies Defend Plan, Hinting at Action to Reverse Serb Gains

(Continued from page 1)

plan "pathetically weak," and a Labor member of Parliament, Malcolm Wicks, said the policy "adds up to appeasement."

Mr. Hogg responded, "We do not accept that aggression should be rewarded."

At the United Nations, 51 Islamists in Serbia criticized the allied plan because it "appears to accept the status quo imposed by the use of force and ethnic cleansing in Bosnia."

The group urged lifting the arms embargo against Bosnia and using force against Serbian weapons.

The French foreign minister, Alain Juppé, met Monday with Mr. Christopher. Afterward, a French official who spoke on the condition that he not be named, said the French were "puzzled by the reaction of the press to the allied plan."

He said the allied plan "transmits an important message: that the important step in the peace process is to find a way to protect the civilians."

The allied plan for Bosnia will be discussed Saturday by the United States, France, Russia, Spain and Britain. It calls for the insertion of a multinational peacekeeping force to protect Muslims in six or more "safe havens" in Bosnia. U.S. air power would be available to protect the UN force.

The plan also calls for international monitors to be placed along the border between Serbia and Bosnia to ensure that Serbian war material does not enter Bosnia. It envisions the creation of a war crimes tribunal as well.

The French official said Paris still believed that the United States should commit ground troops to help police the safe areas. But he added that sending U.S. monitoring forces to Macedonia, which has not been confirmed by Washington, would serve as a "signal of U.S. commitment."

Aside from a brief comment over the weekend, President Bill Clinton has had nothing to say publicly about the policy.

However, the president's chief Republican critic, Senator Bob

Dole of Kansas, quickly commented, saying that the allied plan ratifies the status quo on the ground in Bosnia and writes Bosnia off.

Mr. Dole, joined by Senator Richard G. Lugar of Indiana, an influential Republican member of the Foreign Relations Committee, has sent a letter to Mr. Clinton that sharply criticized Europe. It was learned Monday.

The continuing war in Bosnia, they wrote, "can largely be attributed to the pursuit of half-measures on the part of the Europeans and the United Nations" as well as the UN-imposed arms embargo. The letter refers to Europe's "failed record" in the Balkans and suggests that inaction on Bosnia by the North American Treaty Organization might require the United

Beijing Aide Visits Malaysia. The Associated Press KUALA LUMPUR — Defense Minister Chi Haotian of China arrived Monday in Malaysia for an eight-day visit, saying he looked forward to talks on strengthening relations between the two nations' armed forces.

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Domestic Energy Needs Growing

The Dead Sea may hold one of the keys to Jordan's future energy needs. Seismic surveys currently in progress suggest indications of oil at depths in excess of 6,000 meters (19,800 feet).

"We also have an on-shore exploratory well just to the east of the Dead Sea which is showing oil," says Ali Abu Al-Ragheb, minister of energy and mineral resources. He admits that the country's current oil production, about 22,000 barrels a day, "is hardly enough to supply our consumption for half a day."

But there have been encouraging natural gas finds, and proven reserves, of which about half are said to be recoverable, amount to 400 billion cubic feet. Jordan has to rely on expensive imports of oil from Iraq (in accordance with the UN proposals) which last year cost 326 million dinars (\$505.3 million), equivalent to 10 percent of the gross domestic product.

"Its cost is unparalleled," adds Mr. Al-Ragheb. For this reason, Jordan has to exploit every conceivable source of energy — oil, natural gas, oil shale, wind and solar power — to meet demand, which last year reached 3.8 million metric tons of oil equivalents, a 16 percent increase over 1991. "This was because of a marked rise in demand due to economic stability, a big increase in population and marked growth in industry, tourism and construction," the minister says.

Electricity consumption last year was 3,674 GWH, of which almost 30 percent was for pumping and desalinating water. By the year 2000, consumption is expected to reach 5,800 GWH. A program to improve the country's energy processing and distribution is to be completed by 1997 at a cost of around \$720 million. This includes building the second stage of the Aqaba Thermal Station.

Oil was first discovered in the Hamza Field in 1984, followed by natural gas in the Reisha Field two years later. Amoco, Hunt, Petrofina, Petrocanada, Japan Oil Company and Austrian OMV are some of the companies involved in production-sharing agreements for oil exploration within the country. Last year, Jordan signed with South Korea's Hanbo for a five-year drilling program.

One of the most significant developments in the future will be the formation of the country's first National Oil Company, which will be run on a commercial basis, with the directorate of petroleum at the Natural Resources Authority (NRA) acting as the core of the new company. New emphasis is also being put on renewable energy sources — wind and solar power. Four wind generators were erected in 1988 with an output capacity of 80 KW each, and the ministry is now seeking foreign investment to promote much larger wind farms.

M.F.

A Commitment to Technology

Three-dimensional computer animation, interactive learning programs for bankers, snake-bite venom antidotes and fast-attack "beach buggies" for the military are just some of the projects being carried out by the Jordan Technology Group.

The Jordan Technology Group (JTG) is a private company established in 1988 to "commercialize" applied technology through joint ventures and venture capital: a special fund has been created to support the company's development.

"Originally, we were going for the big \$5 million

projects, but for the last two or three years we have been trying to promote smaller, locally inspired projects that we can use in the domestic or regional market," explains Laith Al-Qassem, JTG's chief executive officer.

JTG has established one of the first computerized 3-D animated studios in

the Arab world, which can produce quality material for a few hundred U.S. dollars a second — a fraction of the cost in Western studios. The technology is used for making television commercials and promotional displays.

"I think this is one of the most interesting projects," comments Prince El-Hassan Bin Talal, the Crown Prince, who takes a close interest in Jordan's technological development. Mr. Al-Qassem says that because 70 percent of the population is aged under 17, there is a great need for the computer-generated educational aids that are now being produced by JTG. These are used not only to teach people how to use computer software such as word processing and spreadsheets, but also for such tasks as treasury management in banks.

JTG is also involved in developing computer management and maintenance services for industry. Other areas of activity include biotechnology (using algae as a supplementary animal feed is one project) and high-speed lightweight vehicles that can travel up to 100 miles an hour for military applications. Some of JTG's work is a spinoff from the Royal Scientific Society (RSS) and from the Higher Council for Science and Technology, of which the Crown Prince is president. The RSS came into existence in 1970 to help bridge the gap between



Jordan Technology Group's new all-terrain vehicle.



Wind and solar energy are being harnessed.

science and technology. Dr. Hani El Mukli, president of the RSS and secretary general of the HCST, believes in the importance of technology transfer involving processes, materials and, most significantly, people.

"We also have to remember that we are always trying to increase the added value through technological transfer," says Dr. El Mukli, adding that the development of information technology and research into renewable energy resources are two priority areas for the future. Energy developments

involve wind and solar power as well as ways of processing the 10 billion tons of oil shale that is Jordan's largest untapped energy resource. "I think shale oil will become more competitive than solar and wind power," says Dr. El Mukli.

The RSS is the biggest research center in the country, with a staff of 600 Jordanians and 30 laboratories. It is currently engaged in 19 major projects in industry, agriculture, pharmaceuticals, chemical processing, electronic engineering and software development.

M.F.

Industry Builds for the Future With a Focus on Exports

Industrial exports are at the heart of Jordan's economic restructuring program, which appears to be a success.

The kingdom's natural resources are limited, and manufacturing accounts for only 11 percent of GDP, but in 1992, industrial investment rose to 228 million dinars (\$353 million), and over 800 new industrial companies were established. The major players on the heavy-industry scene, the Jordan Phosphate Mines Company (JPMC) and the Arab Potash Company (APC), are expanding and diversifying. JPMC is already the

world's sixth-largest producer and third-largest exporter of phosphates, and its new projects at its Shidiyah mine in southern Jordan will enable it to push production from 5.2 million metric tons in 1992 to 9.6 million metric tons by the year 2000.

JPMC is now turning its attention to joint ventures, which will boost value-added income in Jordan and secure long-term markets abroad. Two projects are already under way: the

Indo-Jordan Chemicals Co., set up with SPIC of India, will use 750,000 tons of rock phosphate annually to produce phosphoric acid for the Indian market, while the Nippon Jordan Fertilizer Company is building a compound fertilizer plant in Aqaba. A third venture with Pakistani partners is under discussion.

APC has no less than six projects on its books, including a two-stage expansion of its Dead Sea works, which will increase production from the 1.4 million metric tons achieved in 1990 to 2.2 million metric tons by 1998. Other APC projects cover pro-

duction of salt, potassium sulphate, bromine and its derivatives, and magnesium oxide, all exploiting the resources of the Dead Sea.

Small-scale private industry is also enjoying a

Small-scale industry is also growing

boom. Projects under way include a 15 million dinar iron-bar plant, manufacture of chlorine and hydrochloric acids using Dead Sea raw materials, local production of Marlboro cigarettes, clothing operations, targeting the European market and a joint venture with Korean giant Lucky Goldstar. The latter is already producing

television sets and video recorders and is now expanding into refrigerators and washing machines. Such foreign interest is important in itself but also provides a confidence booster for local investors.

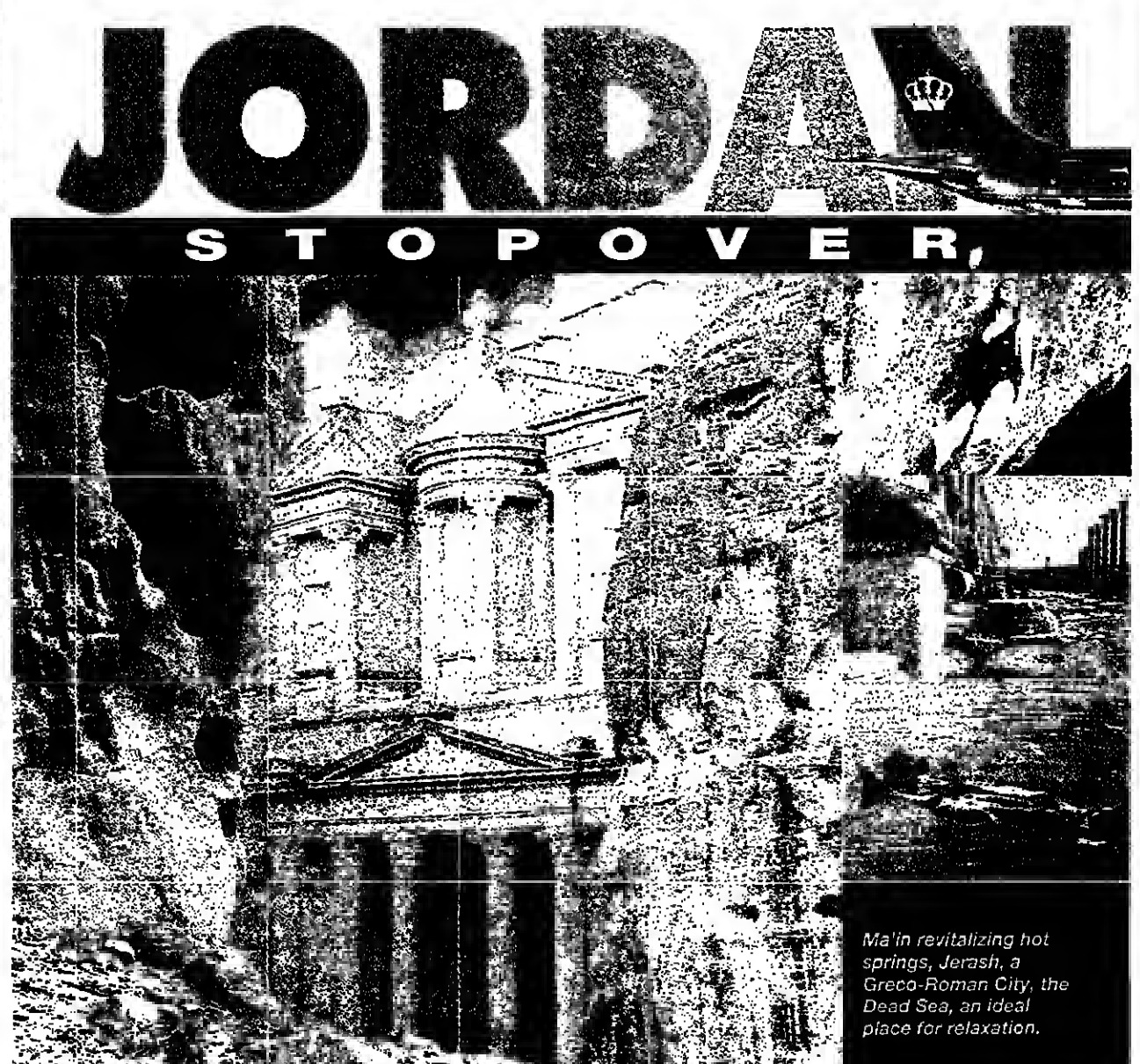
Some observers fear that in the rush to invest there will be duplication of effort and poor marketing studies, leading to poor profitability and in some cases, failure. The continuing restrictions on regional trade are a further handicap.

Certainly not all companies will succeed, but the private sector in Jordan learned a lot about survival in a short time during the Gulf War, and investors are confident that

they can continue to develop new markets and new products for an expanding local market.

Efforts are also under way to help local companies improve their production and marketing standards, and companies that have made the effort to take part in European trade and investment fairs have generally enjoyed success. Local industrialists point to their advantages in having a relatively cheap skilled work force, available capital and good access to the European and U.S. markets as reasons why foreign investors should be interested. In joining the effort to bring Jordan into the global industrial economy.

P.D.



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Continued from Page 9

in government, an improvement in the standard of living (rural/urban disparity still gives cause for concern), equal rights and opportunities. Whatever the difficulties, and however insurmountable they have appeared, the king has always, in the words of his brother, Prince El-Hassan, the Crown Prince, "adopted a can-do attitude to life."

The democratization progress has at times been slow and painful. King Hussein's opponents have been temporarily imprisoned in the past and then offered posts in govern-

ment without recrimination. This autumn will see a general election, and there has been a gradual liberalization of the press and media as citizens' social and political responsibility increases.

"We firmly believe that people have the right to communicate," says the minister of information. "We have never had it easy in this country," comments Prince El-Hassan, "but there has always been a willingness to pick ourselves up again after a crisis." He speaks of a "permanence in Jordanian life" brought about by evolutionary progress

rather than revolutionary actions, which provides a kind of protective umbrella in times of strife.

Jordan has traditionally been a pivot in the Arab world's affairs and sometimes what the prince calls "a lightning conductor." Other nations have had to realize that Jordan is centrally important to regional developments. King Hussein, says his brother, is a romantic at heart, yet he can combine the ideal of Arab nationalism with a practical political message.

On the home front, the pressure is on for greater pluralism in politics and a medium-term social development package that includes greater efficiency in services and the development of human resources, as well as privatization. Ministers speak of a new sense of organization in government and its deep faith in the integrity of the king's commitment to achieve his goals for the country.

of Arabia, but today that figure has dwindled to practically nil. In addition to teachers, thousands of Jordanian doctors and other professionals have been employed in the oil-rich Gulf states, whose development owes much to the Jordanian skill base. Jordan's own health and social services are now entirely staffed by Jordanians. This is a field in which King Hussein has always taken a great personal interest, and his support of this field has often led to the introduction of new medical technology in the kingdom's health centers and hospitals.

Fifty years ago, Jordan's Royal Medical Services (RMS) began with one foreign doctor, one vehicle and a handful of medical assistants. Today the RMS has become an exemplary institution entirely staffed by Jordanians, who last year treated about 2.5 million patients, including more than 1,000 heart-surgery patients. There are about 8,000 qualified practicing physicians in the country.

By capitalizing on its human resources, making better use of technology in industry and increasing services industries like tourism, Jordan has a chance to fight back and become more self-sufficient. Once boycotts and embargoes are lifted, its economic future will probably be rosier than ever before. A lasting Middle East peace settlement would, of course, be the finest jewel in the crown of Hussein, the "family king."

Michael Frenchman

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This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Pamela Dougherty, a journalist based in Amman who is Jordan correspondent for the Middle East Economic Digest, and by Michael Frenchman, a free-lance journalist based in the United Kingdom who often writes about the Middle East.

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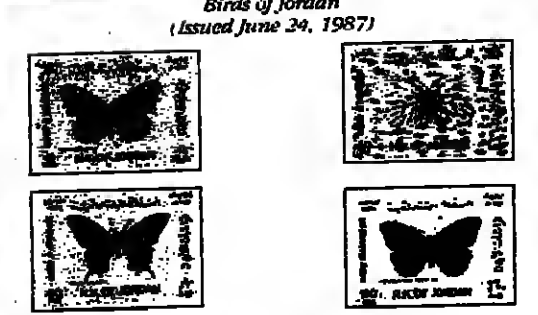
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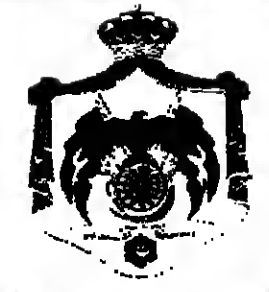
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Transportation Takes Off

Royal Jordanian, the national airline, is preparing for a takeoff into the private sector.

Last year, for the first time since the 1990 Gulf crisis, Royal Jordanian (RJ) made an operating profit of 32 million dinars (\$49.6 million). Passenger traffic rose to 1.1 million —

The national airline is to be privatized

about 300,000 more than the previous year. Freight rose 11 percent, to 43,266 tons. Passenger traffic is expected to rise this year by 14 percent, and freight by 36 percent. The airline will begin a new twice-weekly flight to Chicago next month.

Officials are more confident about the airline's long-term prospects than they have been for some time, in spite of its 270 million dinar debt, much of it owed to three government-owned entities — the Housing Bank, Jordan Petroleum Refinery Co. and the Social Security Corporation.

This year marks the 20th anniversary of the airline, which began with

one DC7 and two Heralds. Today, its fleet consists of 18 aircraft, including six Airbus A310-300s and two Airbus A320-200s.

The airline has always played an important role in the Jordanian economy. It generates about 80 percent of its income in foreign currency, and its 5,000 employees provide direct support for some 25,000 family members. Another 25,000 are employed in related services — travel and tourism.

The airline has always been under-capitalized and has had to rely on heavy borrowing to maintain its fleet and operations. Services have often been badly hit by political crises in the region, the latest being the Gulf War. "We want to get the airline to take off again and to work on a proper commercial basis," says Jordan's deputy prime minister and minister of transport, Ali Al-Sehaimat. "It must be run on a business basis and be accountable to its shareholders," he adds.

The first phase of a privatization study to establish the precise financial position of the airline has been completed by Arthur Andersen & Co., which has suggested a fivefold increase in capital, to \$100 million.

Bids from consultants are now being invited to complete a study on flight operations and to assess traffic rights. According to Mr. Al-Sehaimat, a special technical committee is to be established once the studies have been finished to consider potential shareholders and a new management structure. He did not rule out an involvement with another airline and said that the Jordanian government would continue to have a share in the new company for strategic reasons.

Because of Jordan's geographical position, land communications have become a vital part of the kingdom's infrastructure, and it has become a major transit corridor for heavy vehicles. Last year, 652,000 vehicles crossed the kingdom's borders.

There are more than 6,124 kilometers of paved roads. "We now have 262,000 registered vehicles and one of the largest freight transport fleets (more than 8,000 trucks) in the region," says the minister, adding that heavy axle loads have necessitated a continuous highway improvement program, which last year cost some 62 million dinars.



Air-traffic controllers at Queen Alia airport.

Public transportation in the greater Amman area is carried out by the Public Transport Company (PTC), which was founded in 1975. It carried 45 million passengers over 55 routes last year. M.F.

Stable Economy Comes of Age

As Jordan celebrates King Hussein's 40 years on the throne, its economy is showing a new solidity.

Jordan has a limited resource base, and during the region's turbulent recent history, the economy has been buffeted by events that would challenge the strongest system. Waves of refugees, regional booms and slumps and the Gulf War have all played a part. Many feared that the combination of the 1989 debt crisis and the Gulf War would be too much for what is still a small, resource-poor country. Instead, government finances are improving, banks are buoyant and private investment is booming.

The government's climb from an overwhelming debt burden has not been easy. The 1970s oil boom brought 10 years of prosperity, mainly from aid and expatriate remittances from the Gulf countries, and encouraged high government spending on infrastructure and social services. Jordanians became accustomed to a good standard of living.

When Arab aid declined, the government turned to borrowing, and life continued to be good until the debt crisis hit in 1989. Now, after four years of restructuring and with five years still to go, Jordan can point to remarkable improvements. The International Monetary Fund was anticipating growth of 3 percent for Jordan in 1992, but Jordan's growth reached an exceptional 11 percent and should be around 6 percent in 1993. The budget deficit has come down from 13.8 percent of GDP in 1991 to 6.3 percent in 1992 and should drop to 2.35 percent by 1998.

Jordan's debt burden is still heavy — at \$6.5 billion it is 140 percent of GDP — but this is a lot better than the 200 percent it reached in 1989. The target now is to bring it down steadily, partly through debt buybacks but also, the government hopes, through debt forgiveness, until the debt burden can be brought down to a manageable 2 percent of GDP. Until this is done, however, debt servicing will continue to drain foreign-exchange reserves and absorb money needed for domestic investment.

Jordan's business sector generally appreciates the benefits of liberalization, although not all measures

have been popular. A new sales tax planned to be introduced in conjunction with the IMF standby arrangement for 1993-94 has aroused opposition and been postponed.

One area of singular success for the government and the Central Bank is the stabilization of Jordan's currency, which held steady even under the pressures of the Gulf War. Bank deposits are at record levels and Jordanians are beginning to repatriate funds from Europe for investment at home.

Even more than the government, Jordan's private business sector has been buffeted throughout the past decade by regional politics and domestic policies that often opened profitable markets only to close them down without notice. The drastic events of 1990 were only the most severe in a pattern that has prevailed throughout the decade. Now, the private sector picture is showing growing confidence and energy.

The return of over 300,000 Jordanians from Kuwait and other Gulf countries has been one factor. It has produced a construction boom as the returnees establish themselves in Jordan, a boom that is expected to continue in 1993. New building jumped from 2.7 million square meters in 1990 to 4.4 million square meters in 1991 and 5.9 million square meters in 1992.

A number of new consumer industries catering to the expanded population have also been established. The influx has contributed to a surge in imports, which rose from 1.6 billion dinars (\$248 bil-

lion) in 1991 to 2.05 billion dinars in 1992, while exports rose only from 430 million dinars to 460 million dinars over this time, leaving a deficit of 1.57 billion dinars. Some of the growth is due to higher capital goods and raw materials imports.

The financial market is booming, and banks are enjoying good profits as Jordanians and returnees look for investment opportunities, both in new export-oriented and local consumer-oriented industry. Tourism is also back on track; the record number of arrivals reached in 1989 should be comfortably surpassed this year, and there is a surge of local investment in new facilities, especially in the Petra area. Finally, Jordan's minerals-based heavy industries are entering a new phase of expansion, with ambitious plans for downstream operations.

No one would suggest that Jordan's economic problems are over, however. Unemployment is painfully high at 18 to 20 percent according to some estimates, although the official figure is 15 percent, and this is causing real poverty and hardship. Population growth, both natural and due to the returnee influx, is putting strains on Jordan's infrastructure and services. External barriers to progress also remain. The embargo on Iraq, poor relations with Saudi Arabia and the Gulf states and the slow progress on a peace settlement all hold back progress. An easing in any one of these areas would bring major improvements in Jordan's economy.

Pamela Dougherty



Amman's new heart and special surgery hospital.

Celebrating Forty Years of the King's Rule

Continued from Page 9 are universally admired, even though some of his political decisions are not. Brought up in Egypt and England (he was sent to the Royal Military Academy of Sandhurst after his accession), he is able to take an objective view of the political scene. "He often seems able to get straight to the real point with people, to cut through the surrounding fog of debate," says one of his close advisers.

Outside opponents sometimes see the king as a political meddler in other people's affairs in the Arab world. But his supreme confidence and air of authority have helped him to prevail, and the fact that he is a direct descendant of the Prophet Mohammed has given him added prestige in the Arab world. His brother, Crown Prince El-Hassan, says that the king is "first an Arab, and then a Jordanian."

But it is as a Jordanian that the king has worked for the last 40 years and managed to bring a degree of harmony to the Arab world. To him, the search



A joyous welcome marked the king's return.

for Arab unity is not only a dream, but a duty. He has assumed the role of peacemaker for the Arab world, although his methods have not always met with universal approval. His boldness, some say audacity, in diplomacy sometimes loses him friends, but in the long term they tend to come back.

The negative international reaction to his stand on the Iraqi invasion of Kuwait was a great personal blow. Other problems for the country that were provoked by the Gulf War include the fact that Jordanians and Palestinians from around the Gulf were summarily expelled from the countries where they were living during the

Kuwait crisis, and some 350,000 came back to Jordan. A similar number of refugees of other nationalities (mainly from India and Southeast Asia) also temporarily swamped the country.

His subjects expressed no obvious animosity toward the king, however. When he returned from the United States after a

major cancer operation last autumn, there was a universal display of affection for him. Jordanians turned out by the thousands, probably more than a million, say some observers, to welcome their king back home. "It was extraordinary; no one expected it, no one had foreseen such a spectacle, such a display of loyalty and affection," says one minister.

His subjects are nevertheless aware that the king will be 58 in November, and, although he has apparently fully recovered, some are apprehensive about his health.

About his succession there is no doubt; it will be the Crown Prince, who has complete empathy with his brother's ideals and beliefs, who will act as regent until the accession to the throne of King Hussein's son Prince Ali (whose mother was the king's third wife, Queen Alia, tragically killed in a helicopter crash). King Hussein also has two sons and two daughters by his fourth wife, Queen Noor. M.F.

Jordan's Most Precious Resource: Water

As the population, industry and tourism grow, the water supply has become increasingly threatened.

The basic statistics are not comforting. Supply in 1990 was 550 million cubic meters, with demand at 900 cubic meters. Supply in the year 2000 is expected to reach 700 cubic meters, but demand will have soared to 1,600 cubic meters, according to some estimates. Existing supply is not only limited; much of it is also in the wrong place, with groundwater supplies coming from the

east and south of the country, while the population is in the west and north.

The problem is compounded by political factors. Before 1962, the average annual flow at the King Hussein Bridge in the Jordan Valley was 1,250 cubic meters; 538 cubic meters from Lake Tiberias, 475 cubic meters from the Yarmouk River and 243 cubic meters from side valleys. Now, as a result of Israel pumping off this supply, the flow here is zero.

A major dam planned for the Yarmouk river in northern Jordan is also on hold until political disputes over riparian rights can be solved. The water shortage is already affecting economic and daily life as summer brings restrictions on water for irrigation as well as rationing of domestic supplies.

Despite the limitations, well over 90 percent of households throughout the country now have clean, piped water supplies. The Ministry of Water and Irrigation is fighting a double campaign to find new sources and to make better use of the existing supply. Studies are under way on the three major aquifers to determine whether new sources can be tapped.

Other possibilities are desalination and the construction of pipelines to bring water from Turkey or Iraq, but the former is

still beyond Jordan's financial capabilities, and in the current political conditions, pipelines can only be pipedreams.

The pressure to try new approaches can only grow, however. The return of Jordanians from Kuwait after the Gulf War boosted demand by 25 percent, and tourism is expected to rise by 10 percent to 15 percent annually over the next few years, with each tourist expected to consume 1,000 liters daily, compared with the Jordanian average of 100 liters.

Demand from agriculture is not heavy at present as commercial fruit and vegetable growers in the Jordan Valley are no longer able to sell to the Gulf markets that in normal times take around 60 percent of their irrigated crops. Most of the kingdom's grain and meat production comes from the rain-fed uplands, and expansion there depends as much on better techniques as on water supply. But expensive food imports in this sector are raising pressure to exploit all possible water sources to boost local production.

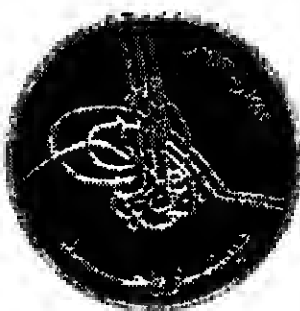
In the longer term, demand for water is sure to be further increased by improved relations with the Gulf states, by growers looking more and more to specialty markets in Europe, and by growing population numbers and industry expansion. It is a combination that will strain Jordan's ingenuity to the limits in the coming decade.

P.D.

Gold and Silver Coins

Commemorating the 40th anniversary of His Majesty King Hussein's Accession to the throne, the Central Bank of Jordan issued limited quantities of the following coins:

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Confidence in Financial Sectors Leads to Growth

Jordan's banks and financial markets are buoyant as the economy expands and investment takes off. The banking sector includes one giant, the Arab Bank, one major bank, the Housing Bank, and a large number of small commercial and investment banks. Favorable 1992 results confirm the belief of most bankers that there is room in the market for all of them.

The Central Bank of Jordan (CBJ) has worked hard in recent years to get the banking sector in good shape, encouraging mergers, tightening supervision and provisioning requirements in line with international standards. The CBJ also ensures that bank customers do not suffer for the

Share prices rose by 30% in 1992

"sins" of their owners. The collapse of the Bank of Credit and Commerce International (BCCI), which caused such pain to European depositors, passed smoothly in Jordan. BCCI's branches were sold to a local bank, and depositors were protected at all times.

Public confidence in both the Jordanian dinar and the banking sector is high, bank deposits have soared, reserves stand at \$4 billion to \$5 billion and capital is being repatriated, not just by returnees from Kuwait but also by Jordanians at home and abroad who have preferred in the past to keep their savings in Europe.

About half — around \$1 billion — of total liquidity in the kingdom is believed to be held by the Arab Bank, which has managed to survive recent local turmoil successfully. The bank's overall equity at the end of 1992 also stood at \$1 billion, and deposits were more than \$13 billion for the year. The bank's capital-adequacy ratio is well within the Bank of International Settlements' guidelines — 12.5 percent. It has more than 270 branches at home and abroad, and last month opened a branch in Frankfurt, with another planned to open soon in Madrid.

The newly established Philadelphia Investment Bank, launched following a merger between two finance houses and in business only since March 1 this year, is confident that it

can take 2 percent of the market within its first year. General Manager Fakhri Bilbeisi says the bank's approach is "to emphasize quality staff and quality service and to focus on local industrial activity." He sees the emphasis on developing new markets for industrial exports as one of the positive effects of the Gulf War, and he sees Jordan's future in markets in Asia, the United States and Europe rather than in neighboring countries.

The Union Bank for Savings and Investment's (UBSI's) general manager, Isam Halim Salfiti, also has faith in industrial growth: "We believe the future of Jordan is in industry," he says. But he prefers to look first at the local market, seeing exports as a bonus. The UBSI, another relative newcomer as a bank but with 15 years of experience as a finance house, is increasingly taking equity in the industrial and tourism projects it supports. Like most of Jordan's banks, the bank is expanding its presence in the market with the opening of new branches; its current eight will grow to 12 by the end of 1993. Mr. Salfiti believes that Jordanian banks should do more to modernize and expand their services, not just wait for demand to grow.

The Industrial Development Bank (IDB) has been doing its share in responding to the expansion of the economy, opening new branches at the thriving Sahab Industrial Estate and planning expansion into the two regional centers of Irbid and Aqaba. The bank enjoyed record lending and profits in 1992, and Dr. Tahe Kanaan, general manager, is confident that 1993 will be another good year. The Jordanian economy has now absorbed the adjustments required by the 1989 debt crisis and the Gulf war, he feels, and the growth momentum should continue.

With a capacity to lend for medium- and long-term projects and



The Housing Bank Center in Amman, one of many new complexes.

lending rates two points lower than the market, the IDB plays a special role in Jordanian industry. For small-scale and handicraft projects, it can lend at a rate as low as 5 to 6 points below the market standard, and in recent months, it has also introduced incentives for export-oriented industries.

Dr. Kanaan would like the IDB to move away from its current emphasis on lending activity and into the identification and preparation of and participation in projects in areas that are not adequately attended to by the private sector. He believes the IDB should develop into an investment bank working with the private sector. "We see investors coming to the bank looking for ideas, and we do not have them. The bank should now be a catalyst for private-sector development," he says.

The IDB already favors projects directed either to nonconventional

markets or toward producing non-conventional products for established markets. It is also cooperating in the establishment of a new non-profit graduate business school that will seek to develop the sorts of managerial skills already seen by the pharmaceuticals industry, Jordan's most successful private-sector exporter.

The lively growth in Jordan's banking sector, where a recent share issue was oversubscribed 11 times, is matched by an equally lively financial market. Average annual trading volume jumped from its 10-year norm of 200 million to 300 million Jordanian dinars (\$3.1 million to \$4.6 million) to 880 million dinars in 1992. Volume for first-quarter 1993 was 240 million dinars. Share prices rose on average by 30 percent over the year, making the market one of Jordan's most attractive investments. P.D.

Welfare Fund Committed To Social Progress

Her Royal Highness Princess Basma bint Talal, younger sister of King Hussein, sits in the office at the Queen Alia Jordan Social Welfare Fund, which has dominated her working day for the past 15 years. She is warm, relaxed, and at ease as she gestures to the simply furnished room.

"This is where it all began, with just five of us," she says. The fund now oversees a network of 40 social development centers throughout Jordan and acts as the "umbrella" for non-government organizations working in the field of social development.

Princess Basma takes pride in the fund's achievements. "Now we have a presence and credibility, we are much clearer about our role and we want to carry on our work," she says. The fund's centers throughout Jordan offer services in early-childhood development, women's education and training, and rural development. The centers are designed according to standards set by the fund, and each includes a health clinic, a multi-purpose hall, vocational training facilities and facilities for kindergarten classes and children's clubs. Once a center is established by the fund, it is handed over to a suitable local private organization.

The fund's primary focus is on the education of mothers and young women. Its educational programs range from agriculture, religion, health and nutrition to mother-and-child needs and family planning. The fund's main premise is that the welfare of families must depend in the end on the welfare of the women in the family. Programs are designed to help these women gain practical skills that will both generate income and give them a better status in the family and community, as well as more confidence to play a role in their own development.

The fund's work is not just a question of theory or ideology; it has an enormous practical impact on the lives of the individuals involved. Umm Ahmad (Mother of Ahmad) lives in a tiny village in central Jordan and has become a celebrity in her community through her success in developing a lentil-growing and marketing business. She began with a small plot of land, and after learning about business possibilities from her local social center and getting technical advice and assistance in

marketing, she has expanded her growing area five times and now has one of the highest incomes in her village.

"Helping communities to help themselves" is the fund's function, says Princess Basma, and she sees no lack of response from the community. Jordanian women have the enthusiasm, the will to learn and the ability to become self-reliant, she says, adding that "the best thing the fund can do is to give people the skills to be able to help themselves."

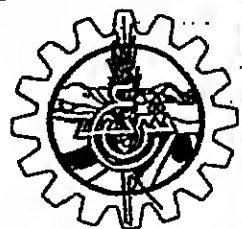
She is also pleased to be able to



Princess Basma.

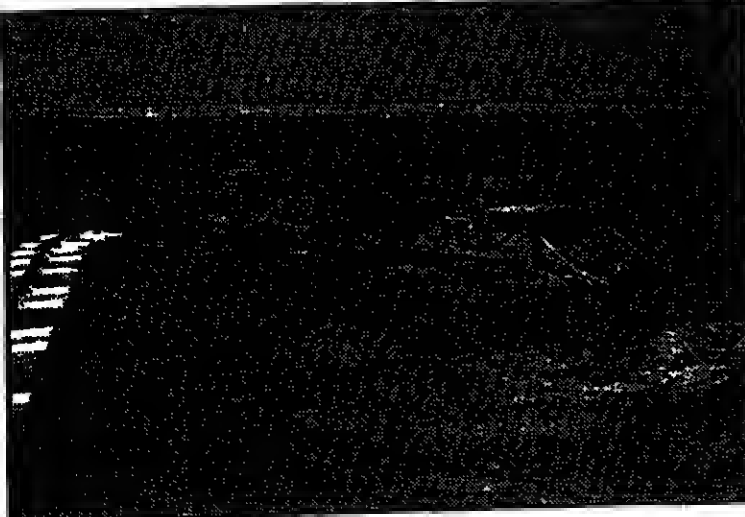
say that their programs for women have never provoked any opposition from the men in the community, especially in rural areas where, she says, "men and women have always worked together and their approach is very liberal, very balanced."

Princess Basma emphasizes the fact that "in all walks of life women can encounter situations where they are not confident and need an extra push, the tools and know-how to develop." Princess Basma looks at her work as a long-term investment. "People are anxious to learn, but the results of development are slow to show up," she says, adding: "It takes time, patience, constant support, but the end result is very rewarding." P.D.



EMERGES STRONG WITH PROMISING FUTURE

Nature has endowed Jordan with the raw materials necessary for manufacturing high quality fertilizers, using mined Phosphate Rock, and extracted potassium Chloride from brine. The Fertilizer Industry of Jordan endeavors to utilize these natural resources to provide its customers with products that meet their needs. Jordan is situated at the crossroads of Asia, Africa and Europe, which makes it an important supplier of these raw materials to the world.



Jordan Phosphate Mines Co. was established in 1935 as a private company founded to exploit the phosphate deposits near Amman. The company was reorganized several times to become in 1953 the current Jordan Phosphate Mines Co. (JPJC) mining Russaifa area deposit. Mining activities extended to Elhassa mine in 1962, Elabiad mine in 1979, and Elshidiya mine in 1988. A milestone development took place in 1985 when JPJC purchased the fertilizer complex in Aqaba.

The company capital was increased several times to accommodate the company development to reach 34.2 million J.D. by 1987.

JPJC is the world's sixth largest producer of rock (4.29 MMT in 1992) and the third largest exporter (4.26 MMT in 1992) and JPJC enjoyed a market share of about 15% in 1992 of world phosphate Rock traded. JPJC plans to increase its production of phosphate rock gradually to reach 9.6 in the year 2000.

In view of the commitment of JPJC to make available the fertilizers needed to feed the growing population of the world, JPJC is embarking on an ambitious expansion programme to increase the production of fertilizers through Joint Ventures, utilizing the abundantly available raw materials and the liberal

Investment laws in Jordan JPJC has concluded a Joint Venture with India for the production of Phosphoric Acid. JPJC and APC has signed an agreement with a Japanese Consortium to establish an NPK plant and is currently considering other proposals for possible Joint Ventures in Various fields.

The Arab Potash Company is a pan Arab Venture which started producing potassium chloride Fertilizer in 1982 and has achieved a major position in the International Market in general, and the Asian Market in particular, as the 3rd largest supplier to Asia. The company achieved profitability since 1988 and is currently engaged in a major effort to establish a range of industries based on exploiting the rich minerals of the Dead Sea.

In this respect, the company is seeking cooperation on the international level from potential partners to embark on its schemes of establishing a Bromine and Bromine Derivatives Industry, a Magnesia Industry, a potassium sulphate and Nitrate Complex.

The Company also plans to operate its new potash plant in 1994 which will bring production up from 1.4 to 1.8 Million Tons of product destined mostly for export.

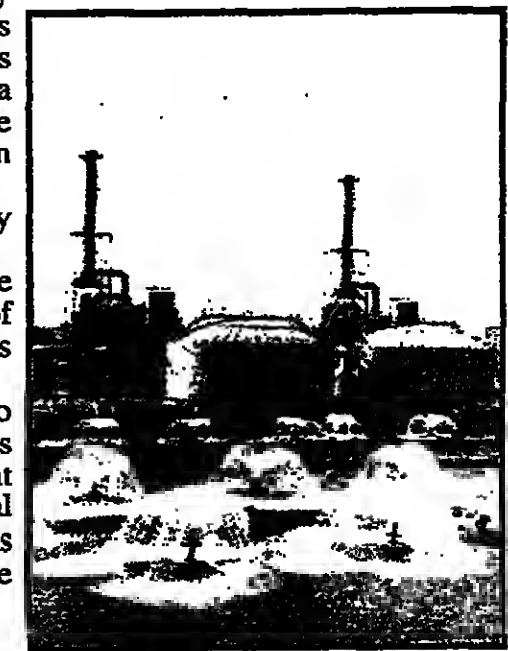
We, in Jordan, work tirelessly to deliver the desired products to our worldwide customers: Rigorous quality control procedures throughout the production process, coupled with reliable delivery schedules have gained for the Jordanian Fertilizer Industry the reputation of dependability and reliability.

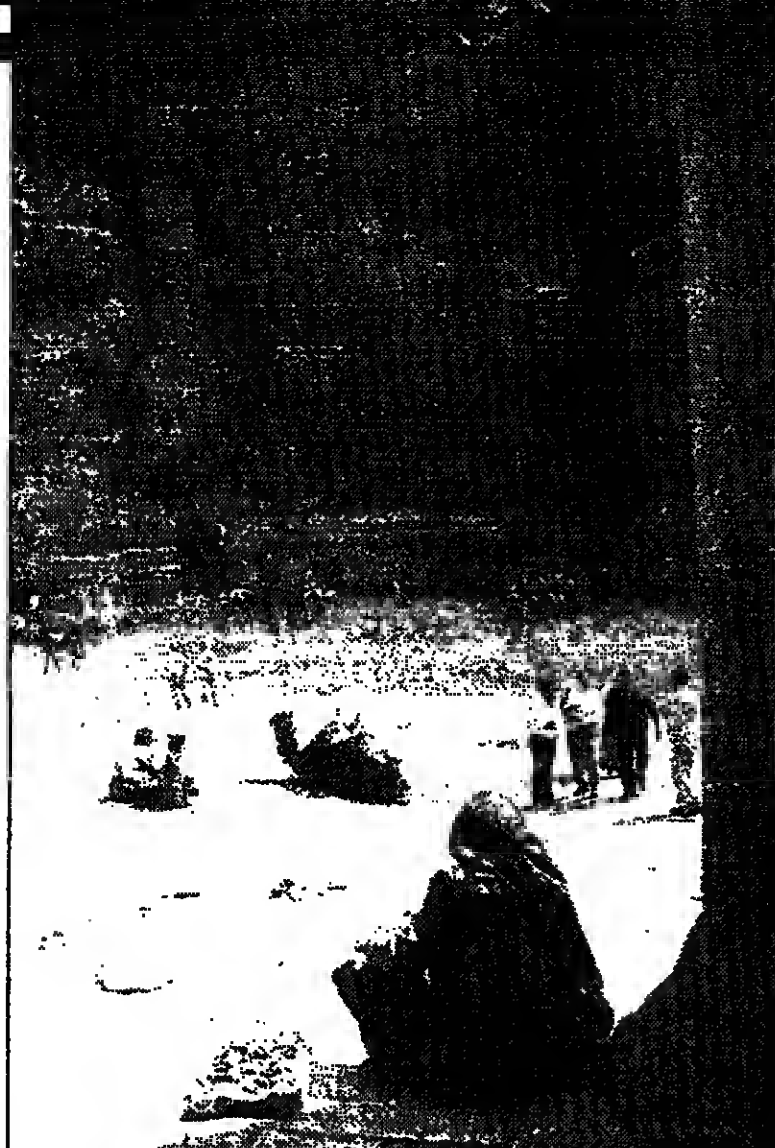
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The Siq as it opens out in Petra.

Tourism: Living Up to High Expectations

"Eternal, silent, beautiful, alone! . . . /Match me such a marvel save in Eastern clime, /A rose-red city half as old as Time." — from "Petra," by Dean Burgon.

Petra is one of the few sights in the world that lives up to expectations. As you emerge after a 20-minute horse-and-buggy ride through the shadows of the narrow siq, or canyon-like fissure through the rock, you are suddenly confronted with the facade of the Treasury building cut into the solid rock face.

The impact is breathtaking; so is the silence if you arrive early in the morning, before the 3,000 to 4,000 tourists who come here each day. There is only the noise of horses' hooves clip-clopping over the rock-strewn path, and perhaps the sound of a boy playing a flute in the still-cool air, which has yet to feel the heat of the midday sun.

Much of Petra, three hours' drive south of Amman, has yet to be uncovered. Most of the existing buildings are tombs cut into the rock face; they appear to have outlasted the civic buildings of what was

once a grand city of monumental proportions built 2,000 years ago. But the site also includes an amphitheater, a marketplace and a wide plaza. On either side of the huge can-

Many sites are rarely visited

yon in which the city has been built are what are believed to be the remains of shop fronts or merchant's houses, but mostly there are tombs in the form of dwelling houses, much like those in Latin America but on a larger scale.

The main approach to Petra is through the mile-long cleft in the rock, just wide enough for a chariot. As the tourists arrive, it is easy to imagine they are the thronging crowds of Petra's citizens going about their daily business. Sitting at the "Original Arab coffeehouse" (now run by a New Zealand nurse married to a Jor-

nian), young boys sell "genuine" Roméo oil lamps or will write your name in the rose-red sand of Petra in a small bottle for a few dollars.

It is the color, rather than the ancient buildings carved out of the rock, that is the most impressive. There are all shades of pink and red marbled with white, brown and chocolate. Petra is still a world of its own, waiting to be discovered. But, according to the Ministry of Tourism, it is in danger of being overrun. Refreshment facilities are meager, generally unclean and overpriced. The only hotel is being expanded, but far more high-quality rooms are needed if Petra is to meet the demands of modern tourists.

This is one reason why the government is trying to highlight Jordan's other ancient ruins and historical sites, of which there are many. These include the wildlife of Wadi Rum, close to Petra, where the



Private enterprise — souvenirs of Petra.

more adventurous tourist can try rock climbing or camel safaris. Just north of Petra is Shobak, one of the earliest Crusader castles, in a striking position on a small hilltop guarding the gap between two ranges of mountains. It is rarely visited by tourists and is well worth the effort required to get there.

In the north are several beautiful spots, including the pine-clad hills of Ajlun, with its crusader castle, and the Hellenistic city

at Gadara in Umm Qeis. Just on the outskirts of Amman (which was called Philadelphia by the Romans and was built, like Rome, on seven hills), is the wonderful sprawling Roman city of Jerash. With its colonnaded streets and oval plaza, and the magnificent South Theater with bank over bank of steeply raked stone seats, Jerash still retains much of its original city walls as well as the imposing Hadrian's Gateway. M.F.

Educated Workers: A Valuable Natural Resource

Education is one of the key aspects of social development in Jordan. It has been essential for the development of the Jordanian skill base, the kingdom's major resource.

Thousands of Jordanian teachers, doctors and scientists, as well as adaptations of the Jordanian school curriculum, are found throughout the Arab world. "Some people say we may have been overdoing it, but, as a general policy, education is a maximum priority because we don't have any other natural resources," says Dr. Munther W. Masri, secretary general at the Ministry of Education in Am-

man. "Education has become the main vehicle for the development of our country," he adds. Since 1954, the kingdom's rate of illiteracy has been substantially reduced and is expected to be only 8 percent by the end of the century. About 1.25 million children receive primary and secondary education, 35,000 attend communal colleges and 40,000 students go to the five state and five private universities. Another

20,000 students attend universities in other countries.

Jordan's first university was established in 1962. The 10 existing ones are to be supplemented by two more state-supported institutions — one now under construction at Zarqa, just northeast of Amman, and another at Mafraq on the northern frontier with Syria, a facility that is being transformed into a college of Islamic studies. The private sector is also planning to improve and expand a number of existing facilities.

According to Dr. Masri, there has been a gradual transition over the last few years to more democratic, more liberal educational institutions. The education system as a whole has also had to absorb a number of

shocks. The latest of these followed the Gulf War, which led to the influx of 100,000 new students. "It has taken us three years to cope with this problem, but some of the physical facilities are not too good, and our education system has become overworked," says Dr. Masri.

About one-third of all the kingdom's students aged between 18 and 24 are in the higher-education sector. "This very high figure can have a negative effect on us because of the lack of suitable jobs when they graduate," says Dr. Masri, adding: "Today there is considerable unemployment among the highly educated."

Unemployment is officially about 15 percent, but Dr. Masri suggests that a more realistic proportion among the post-graduate population is around 20 percent. While the primary and secondary education system has been

overloaded by the returnees from Kuwait, Iraq and elsewhere, a major school-building program has been in progress since 1987, which has helped alleviate the problems. About 450 new schools have been built. This has also helped to eliminate the problems of teachers working double shifts and the use of some temporary teaching facilities, which were often of a simple nature.

The government is spending nearly \$1 billion on a 10-year educational reform program. Last year saw the completion of the first phase, which cost \$254 million and was financed by a number of foreign government and international aid funds, including the World Bank, the U.S. Agency for International Development, Japan's Overseas Economic Cooperation Fund and Britain's Overseas Development Administration. M.F.

Exceptional Health Services

Major changes affecting the operation of the country's well-established health services are currently being implemented under the direction of the minister of health, Dr. Arif S. Batayneh, a former major-general in the Royal Medical Services.

Dr. Batayneh, who is also a practicing physician and had been in the military medical service since the 1960s, is aiming to introduce more order, discipline and responsibility to the health sector, already the best in the Arab world, according to many experts.

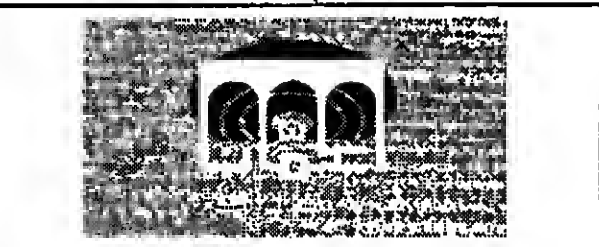
"We have a 100 percent Jordanian service with a total of around 10,000 registered doctors, of which about 7,000 are in practice — this is one of the factors which makes us differ-

ent from neighboring Arab countries," says Dr. Batayneh. The ministry has a health-care budget of about \$120 million for this year, which is being supplemented by international and other funds to a total of about \$225 million.

"We are now trying to enter a period of cost recovery by gradually introducing charges for operations and prescriptions," says Dr. Batayneh. About one-third of the population is treated by the Royal Medical Service and another third by the Ministry of Health through social medical insurance. From the beginning of the year, patients who are not insured pay about \$4.65 per hospital visit. But if the patient has been referred to a hospital by a medical

center, the fee is reduced to only 65 cents.

Hospital operations are priced at between \$12.40 and \$18.60, plus \$3.87 a day for a bed. Basic prescription charges range from about 15 cents to 45 cents. Jordan has established a number of medical centers that have achieved worldwide recognition for excellence. The first heart transplant operation ever carried out at a military hospital was done in 1985. "The man is still living — we gave him a job in the hospital so that we could keep an eye on him," says Dr. Batayneh, adding that other operations, including cardiovascular surgery and liver and kidney transplants, are all carried out by Jordanian medical staff. M.F.



GREATER AMMAN MUNICIPALITY

The population of Amman, the capital of Jordan, has grown steadily during the past 40 years. Until the 1950's, the population stood at around 100,000 persons but an influx of forced migrants has led to a surge in population growth, and Greater Amman now has more than one million inhabitants.

The municipality had limited financial resources to cope with the rapid increase in population and expansion of the city. Nevertheless, in spite of the strains and stresses caused by the rise in population and lack of adequate economic support, the municipality has managed to provide sufficient infrastructure and services to meet demand. Particular attention has been paid to the local environment, and Amman has distinguished itself among the world's capitals by becoming one of the cleanest cities.

Amman has been transformed into a thoroughly modern city with a wide range of daily services and facilities, both new and traditional, to meet the needs of its citizens.

It provides all kinds of social amenities — public libraries, children's clubs and gardens — which can be found throughout the city. The municipality has also helped foster a variety of cultural and artistic activities to help improve the quality of life.



Social Programs Become Model for the Arab World

With more than 70 percent of its population of 4.2 million aged below 35 years and 33 percent under 17 years, Jordan has made looking after the young one of its top priorities. Its youth-oriented social welfare programs — along with its programs for the handicapped and needy — are among the country's main achievements of the past 15 years.

Jordan would like to be seen by other countries in the Arab world as a model of good social development. "We have about 23,000 families who are classified as 'needy' and 137,000 handicapped persons," says Dr. Amin Al-Mashakbah, minister of social development. Last month, a new law was passed making it mandatory for companies with over 25 and up to 50 employees to have at least one disabled person on its pay-

roll; companies with more than 50 employees must have at least two handicapped workers.

The Ministry of Youth's main object is to promote all kinds of sporting and outdoor activities for young people. It is also responsible for building and managing two sports complexes, in Amman and Irbid, with a third under construction and a fourth being planned, each at a cost of up to 6 million dinars (\$9.3 million). The

complexes combine a stadium that seats up to 30,000 spectators, running tracks, Olympic-standard swimming pools and open grounds for athletics and games.

The country also has an extensive network of around 280 youth clubs that provide a variety of activities for boys and girls — not just games, but also arts and scientific activities. One of the aims is to teach young people about their country's folklore

and heritage, and to show them the importance of voluntary work and general social responsibility. Each of the youth clubs has up to 500 members, with a waiting list in some places.

A national committee for the development of sport, established two years ago, is drawing up a strategy for sports development over the next 20 years. "We are looking for more democracy in sport, particularly in its management and promotion," Mr. Ershedat says, adding: "Sport cannot be run on a political basis." He wants to see the level of sport raised to Olympic standards wherever possible. A Jordanian won a bronze medal at the Barcelona

Olympics in taekwon do. Others have done well in equestrian sports and fencing.

"We are also trying to institutionalize social work and assistance with the private sector, which has to share some of the economic burden," says Dr. Al-Mashakbah. There are now 625 voluntary societies in the country, 250 of them in Amman, which raise funds from the public and dispense food and cash to the needy. They also help with training and rehabilitation programs in cooperation with the Ministry of Social Development.

Caring for the handicapped is another objective of his ministry. By law, companies must pro-

vide a certain number of workplaces that are suitable for handicapped people. Special institutions are being built where the handicapped can be trained in various skills.

Only about 5 percent of the country's handicapped people are now able to benefit from the new programs. "But we hope to include at least 50 percent of them between now and the next five years," says Dr. Al-Mashakbah. He sees Jordan becoming a role model for other Arab nations, and he receives many official delegations from countries like Egypt, the Sudan, Lebanon and Oman, which want to follow Jordan's lead in caring for the needy and handicapped. M.F.

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Making the Region Safe for the Oryx

Dana village sits astride a high plateau among the mountains of the Sharaa just to the south of the Dead Sea. It is a naturally fortified hill-top site that has been inhabited since 4000 B.C.

Deep gorges and canyons plunge into the deep, dark cool below. Ibex, mountain gazelle, badgers, striped hyenas, jackals and wolves live among the scrub, shrubs and trees scattered around the rocky landscape.

The protection and restoration of Dana and its surrounding wildlife and flora is one of the most exciting projects being carried out by the Royal Society for the Conservation of Nature. The village itself, with its zigzag alleys, little courtyard houses with stone arches and flat roofs, has changed little since the last century. At present, the inhabitants are mostly clans from the Hebron tribe, Al-A'ta'ata, who settled in the area in Ottoman times.

The Dana village and reserve lie in one of the most beautiful parts of the country. To the north is the Edomite site of Buseira, to the South Petra and the Crusader castle at Shobak. At the western end of the wadi

Dana is the third century B.C. copper mine once worked by the Romans.

Dana was chosen as a wildlife reserve by the RSCN and the International Union for the Conservation of Nature as the result of a joint study in 1976. The RSCN has already established a dozen wildlife reserves and national parks, which cover about 4 percent of the total land area of Jordan. It also has a program to reintroduce and increase some of the indigenous mammals and protect their natural habitats.

"We have been pioneers among the Arab states for the conservation of nature," says Maher Z. Abu Jafar, general director of the RSCN. One of the most successful projects involved the Arabian oryx, which became extinct in the wild at the turn of the century. New stock was introduced in 1979, when four males were brought over from the San Diego Zoo in the United States; they were later joined by four females.

"Now we have about 135 animals, with one of the highest breeding ratios in the world, at the Shaumari Reserve," says Mr. Jafar. As a result, Jordan has been able to send four oryx to Oman and eight to Saudi Arabia to help re-establish the animals there.

Style



A cross-section of the fashion scene in Shanghai's streets underlines the booming interest in dressing well that is visible in the major Chinese cities open to commerce.



The well-dressed Beijing toddler at the playground.

Beijing's New Look: Tiny Fashion Plates

BELING — You see them in the streets of the capital, girls age 3 or 4, dressed in frilled skirts as stiff as crispy noodles, fancy shoes, a bow in the hair and rouge and lipstick on their faces. Boys too get royal treatment, wearing rompers, shorts and knicker suits, often with matching caps, that are a hybrid of the sailor suits nice little boys suffered a century ago.

In the parks on weekends or taking a stroll in the Forbidden City, children are dressed up as they have not been in the West since society gave up on Sunday Best.

This is a watershed moment. The regulation jacket and pants in drab colors peered out in the cities 10 years ago, making today's young adults the last to have been brought up in uniform clothes. Now they are becoming parents, and they are not about to put their offspring in faded jeans and scruffy T-shirts, but instead want everything as new, shiny and fancy as possible.

Children's wear is big business here. So big, that at Beijing's fashion fair, a representative of Pierre Cardin's children's wear, manufactured in the southern city of Guangzhou, said that the production unit can barely keep up with demand. In street markets the frilled dresses are strung on local stalls and sold for 50 yuan (less than \$10). The prices of children's clothes in Beijing stores suggest that the pagoda roof is the limit.

The Hong Kong architect Arthur Kwok and his wife, Linda, spotted the potential for children's wear in China and set up a joint venture, which opened in December 1992, a children's shopping center within the main department store in Wuhan.

"We are very optimistic — we feel it's going to be a great success," says Linda Kwok. "Chinese people put great emphasis on material things because they were deprived for so long. And there are six adults — two parents and four grandparents — doting on one child."

Vivian Chow, a Hong Kong resident with a home in Shanghai, thinks the West is ignorant about today's urban Chinese society. When her Spotlight theater company opened "Extremities," a play with a rape scene, in Shanghai last week, she found that the kids came too — and ran round unchecked.

"The Americans talk about Chinese child labor, but we are talking here about spoiled kids," she says. "Children's fashion could be very big here — everyone is prepared to spend anything on them."

Suzzy Menkes

Yuppie Shanghai Shows Old Flair

Chinese Crowd the Stores In Fast-Changing Society

Continued from Page 1

cheongams — that seductive marriage of Eastern and Western fashions that developed in the 1920s. She sees them worn now as touristic folklore mainly by hotel waitresses, while the population craves bright modern clothes.

The Shanghai stores filled with eager customers show that there is a killing to be made. But how to get into China, and get it right, in the fashion equivalent of the California Gold Rush?

For Kai-Yin Lo, a Hong Kong based jeweler with an international reputation and a global business, that metaphor, is especially apt. She has set up a factory in Guangdong Province and is looking for a joint venture — the only sure way in — but research has proved that potential clients are not yet ready for her imaginative designs and unusual mixes of semi-precious stones.

"Shanghai has always been more urbane, and it has resumed its urge to be a commercial capital," she said. "But the people have never had anything, and when they buy a handbag, it is not because of the styling, but because it is leather. So first they want gold and then they want a diamond."

Lo says that the big successes in China are not designer fragrances, but Proctor & Gamble's Head & Shoulders anti-dandruff shampoo. Even if Louis Vuitton has a boutique in Beijing, the local clientele is looking for fashion at 500 yuan (\$85) and "the big brand name is a long way off."

She sees little real purchasing power and a market supplied almost entirely by China itself. This is proved by the clothes in Huizhai



Ma Yun Fang, an adviser on Shanghai's trade development, says that the aspirations of consumers are now in a third phase.

"Ten years ago, the three things everyone wanted were a watch, a bicycle and a sewing machine," she said. "Then it was things for the home: a washing machine, television and a refrigerator. Now it is a camera and clothes. The young generation is very fashion conscious and the name brands are very important."

Hong Kong accounts for 35.1 percent of China's total trade, according to the Hong Kong Trade Development Council. But the brands that have made it in China are not those you might know: Crocodile sportswear (a Lacoste look-alike), Goldlion and Giordano, whose three stores in Guangzhou and one in Shenzhen together average sales of \$3.9 million a month.

Hong Kong fashion folklore has

that one Giordano store sold its entire stock in a day. In March, the company announced that overall profit rose 35 percent; but at the same time it had a loss on its China operations of 10.4 million Hong Kong dollars (\$1.35 million).

People here ask whether Levi's much-publicized pullout from China on humanitarian grounds was not more about weak sales, high costs, chaotic distribution, corruption and the lack of rules about counterfeiting and basic trading in this pioneer territory.

MARY WONG, assistant director of the Trade Development Council and a China market expert for 14 years, says that fashion in China has taken off in the six major cities open to commerce and capitalism, which include Beijing, Guangzhou and Shanghai, where the leading department store had a record 300,000 customers on Jan. 17, 1993, just before the Chinese New Year. Traffic in some stores is so heavy that potential clients have to fight to the counters and trained sales-

Donna Karan to Open in China

HONG KONG — Donna Karan will become the first American designer to open a fashion store in China. A shop in Shenzhen, the special economic zone adjacent to Hong Kong, will open in September. Plans were finalized during Karan's visit to Hong Kong last week. The store, in conjunction with Joyce of Hong Kong, will sell DKNY (Donna Karan New York) the designer's lower-priced sportswear line.

"Our outlook on China is that it is a huge potential market," said Steve Ruzow, president and chief operating officer of Donna Karan, reached by telephone in New York. "But this is a one-store deal. We have not clearly defined our strategy and I would think a lot harder about selling in Peking or Shanghai."

Joyce is the premier luxury retailer in Southeast Asia with 24 boutiques in Hong Kong and a Joyce store slated for Taipei in September.

"Greater China is the next step," says Roberto Dominici, managing director of Joyce, which has had a major success with DKNY in Hong Kong. "Joyce has had a very patient approach to China. We are not cautious, but we like to go into China starting with people we are familiar with."

reverse the trend. China has a vast rural population. In the key cities, inflation is at 9 percent and may even go into double digits, but that is acceptable during a fast-growing period. The whole system is eroding and China will be different in one year — every day is different.

Although she believes that the luxury market may eventually be in Beijing, the seat of government, Wong describes Shanghai as a "bubbly" city, where the Trade Development Council will hold a fashion fair in August.

Antonio Maria Marini, a Hong Kong-based designer who has a Shanghai store for Italian labels, is bullish about the city's prospects.

"Shanghai belonged to us — the French, the Italians, the Europeans," he said. "For sure we can make it the capital of fashion in Asia. In not even 10 years, but in five or seven, Shanghai will be the heart of everything."

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HANA MORI, FASHION DESIGNER
People at the top read the Trib.
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CHESS

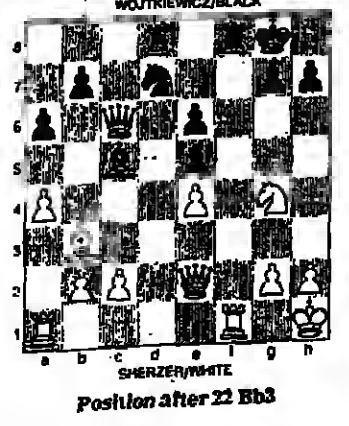
By Robert Byrne

AN example of an opponent's counterplay exceeding expectations, thus ruining the strategy, is illustrated by the game between Alex Sherzer, an American international master, and Alexander Wojtkiewicz, champion of Poland, in Round 1 of the Hudson International Tournament at the Pace University Campus Center in Pleasantville, N.Y.

The value of 6 f4 against the Najdorf Sicilian is still undecided: it is less adventurous than 6 g5, but more aggressive than 6 Be2. After 6...e5 7 Nf3 Nbd7, White is not advised to rush into 8 Be4 b5 9 Bd5 Rh8 10 Ng5 because 10...Nd5 11 Qd5 Qe7 12 a3 Bb7 13 Qd1 b6 14 Nf3 Nf6 15 O-O Qe7 yields Black a nice position.

Also, after 8 a4 Be7, 9 Bd3 is of doubtful merit because of 9...Qd5! 10 Qe2 (10 O-O? Qc5 picks up the loose bishop) b5 11 Bb3 Bb7 12 O-O b4 13 Nd5 Nd5 14 c4 Bd5 15 f4 16 Ne5 Bb3 17 Nd7 Be6 18 Ne5 Qe5 19 Kh1 O-O with a superior two-bishop game for Black.

Sherzer tried to resolve the game into a simple positional scheme with 15 Be5 d6 16 Ne6 f6. The idea was that the resulting doubled black e pawns were blocked by a single white pawn, while, in an endgame, the three white queenside pawns would produce a decisive passed pawn. But Wojtkiewicz found it easy to put obstacles in the



way: his doubled pawns controlled important center squares, limiting the activity of the white minor pieces; two of these squares, f4 and d4, could be used for rook outposts in the half-open files; two other squares controlled by black pawns, f5 and d5, denied the white knight possible outposts; the white knight was unstably posted at e3 because of the possible attack with...Bb4.

Sherzer should probably have played 20 a5 with the plan of continuing with 21 Ne4, 22 e3 and 23 b4. Of course, Wojtkiewicz would have countered by 20...Be3 21 Qe3 Rd4 followed by doubling rooks on the d file. Instead, Sherzer got his minor pieces into uncomfortable positions after 20 Ng4! Nd7 21 Be4 Qe6 22 Bb3.

After 22...b5 23 Nf2 Bf2 24 Rf2 g6 25 Rf8 Rf8 26 Rf1 Nc5 27 a5 Rf1 28 Qf1, Wojtkiewicz did not care about letting all rooks be exchanged because 28...Nb5 29 cb Qe4 gave him a won queen-and-pawn endgame.

Keeping tight control over Sherzer's attempt to obtain perpetual check and maintaining careful protection of his pawns, Wojtkiewicz marched his king up to help with the advance of the passed e5 pawn. Sherzer could not play 44 Qf3 Kd4 45 Qe4 e4 46 Qe5 Qb5 47 Qb5 ab 48 g4 hg 49 b4 Kd3 50 h5 e3 51 b6 e2 52 Ke1 g2.

After 50...Qd2, Sherzer gave up without going through 51 Kg1 Qe1 52 Kg2 Qe3 53 Kh1 Qe3.

SICILIAN DEFENSE

White	Black	White	Black
1 c4	1...e5	2 e4	2...Rf1
2 Nf3	2...e6	3 Bb3	3...Nf6
3 Bb3	3...d5	4 Bb3	4...Qd5
4 Bb3	4...Nbd7	5 Bb3	5...Qe7
5 Bb3	5...Nbd7	6 f4	6...Qe7
6 f4	6...Qe7	7 Nf3	7...Qe7
7 Nf3	7...Qe7	8 Be4	8...b5
8 Be4	8...b5	9 Bd5	9...Rh8
9 Bd5	9...Rh8	10 Ng5	10...Nd5
10 Ng5	10...Nd5	11 Qd5	11...Qe7
11 Qd5	11...Qe7	12 a3	12...Bb7
12 a3	12...Bb7	13 Qd1	13...b6
13 Qd1	13...b6	14 Nf3	14...Nf6
14 Nf3	14...Nf6	15 O-O	15...Qe7
15 O-O	15...Qe7	16 Ne5	16...Bb3
16 Ne5	16...Bb3	17 Nd7	17...Be6
17 Nd7	17...Be6	18 Ne5	18...Qe5
18 Ne5	18...Qe5	19 Kh1	19...O-O
19 Kh1	19...O-O	20 Ng4	20...Nf7
20 Ng4	20...Nf7	21 Be4	21...Qe6
21 Be4	21...Qe6	22 Bb3	22...Bb3
22 Bb3	22...Bb3	23 Bb3	23...Bb3
23 Bb3	23...Bb3	24 Rf2	24...Rf8
24 Rf2	24...Rf8	25 Rf8	25...Rf8
25 Rf8	25...Rf8	26 Rf1	26...Nc5
26 Rf1	26...Nc5	27 a5	27...Rf1
27 a5	27...Rf1	28 Qf1	28...Qf1
28 Qf1	28...Qf1	29 cb	29...Qe4
29 cb	29...Qe4	30 Qe4	30...Qe4
30 Qe4	30...Qe4	31 b6	31...e2
31 b6	31...e2	32 Ke1	32...g2
32 Ke1	32...g2	33 Kh1	33...Qe3
33 Kh1	33...Qe3	34 Qe1	34...Qe3
34 Qe1	34...Qe3	35 Kg2	35...Qe3
35 Kg2	35...Qe3	36 Kf1	36...Qe3
36 Kf1	36...Qe3	37 Rf1	37...Qe3
37 Rf1	37...Qe3	38 Rf1	38...Qe3
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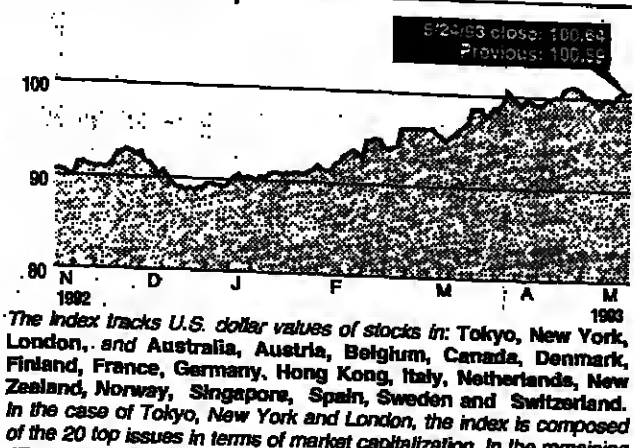
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N. America	95.50	95.61	-0.11

Industrial Sector	Close	Prev.	% Chg.
Energy	101.33	101.35	-0.02
Utilities	108.63	108.56	+0.06
Finance	101.85	102.19	-0.32
Services	112.82	111.31	+0.81

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

López Says He Took No Secrets From GM

By Jon Henley
Special to the Herald Tribune
AMSTERDAM — Sheltered behind a necklace of islands off the Dutch coast is one of the North Sea's last remaining environmental treasures: an unspoiled region of shallow waters and wide mud flats rich in plant, fish and bird life.

But the Wadden Sea conceals more controversial riches: An estimated 30 billion guilders (\$16.5 billion) worth of natural gas.

As a 10-year ban on energy production in the region nears its end in January, environmentalists are squaring off against the world's major oil companies in a bitter fight about the future of the voluntary moratorium.

The outcome may set a precedent in Europe's ecology-versus-economics debate. The Netherlands aims to lead Western Europe in environmental awareness, but it also is its largest producer of natural gas.

Oil companies have held concessions in the region since the mid-1960s. They have largely refrained from using them since 1983, when they signed a pledge to not produce for 10 years. Royal Dutch/Shell and Esso, which run a joint venture, Total Compagnie Française des Pétroles, Elf and Mobil Corp. say the Wadden Sea contains up to 130 billion cubic meters (4.59 trillion cubic feet) of gas.

"We shouldn't be surprised if that turns out to be far, far more," said Frank Duijn, spokesman for the Shell/Esso joint venture Nederlandse Aardolie Maatschappij, known as NAM.

The Dutch government, which must decide on Wadden Sea drilling by the end of the summer, is by no means a disinterested party. It earned about 10 billion guilders from Dutch gas sales in 1992. In addition, it stands to earn directly from the Wadden Sea through its own energy production company, Energie Beheer Nederland or EBN.

Economic Affairs Minister Philippe Auberger, secretary to the National Assembly's finance committee, said at a news conference that he expected the government to adopt several amendments to the 1993 budget proposed by the committee, designed to hold down unemployment, increase training and assist the construction sector. These include a measure to provide tax credits for companies for all new apprentices taken on. Mr. Auberger said. Currently only net new apprenticeships are eligible for tax credits.

The loan was announced as France cut interest rates for the seventh time in six weeks.

Traders said the rate cuts were timed to take advantage of the strong franc, but also underlined the authorities' gathering haste to haul the economy out of recession.

The Bank of France cut its intervention rate, which sets the floor for wholesale bank rates, to 7.50 percent from 7.75 percent. It also lowered its five-to-10 day rate, which acts as an interest-rate ceiling, by a quarter-point to 8.50 percent.

Three-month bank rates have fallen to 7.25 percent from 10.5 percent on March 29, when Mr. Balladur, a conservative, took power. French three-month rates are now an eighth of a point below German three-month rates, indicating that investors no longer demand a risk premi-

A Troubled Dutch Sea Gas Riches Versus Environmental Wealth

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Special to the Herald Tribune
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Moving Offshore

Netherlands annual natural gas production, in billions of cubic meters.



International Herald Tribune

Paris to Fund Jobs Plan With Massive Loan

By Jon Henley
Special to the Herald Tribune
PARIS — The French government announced Monday a massive, 40 billion franc (\$7.25 billion) borrowing to finance measures to help cut the country's unemployment, currently running at more than 10 percent rate.

Speaking to reporters after a meeting of 19 ministers led by Prime Minister Edouard Balladur, Finance Minister Edmond Alphandery said that he hoped the jumbo loan would enable the government to improve measures for combating unemployment in the next few months.

The state-owned television station France-2 said the bond would be convertible into shares in newly privatized companies. Officials said the bond issue was necessary because proceeds from the privatizations, which are reportedly to include the carmaker Renault and Air France, would not start flowing until later this year.

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Central Bank Sued Over BCCI's Fall

By Jon Henley
Special to the Herald Tribune
LONDON — The accounting firm Touche Ross, liquidator of Bank of Credit & Commerce International, said Monday it had started legal action against the Bank of England on behalf of some of the depositors.

"The depositors' writ against the Bank of England has been issued on behalf of a small number of depositors," Touche Ross said. BCCI was closed by worldwide regulators on July 5, 1991 after allegations of massive fraud.

The start of proceedings was announced before a first meeting of BCCI worldwide creditors in London on Thursday.

"We believe we have a complete defense," the Bank of England said. The British central bank has always maintained that it acted as soon as it had evidence against BCCI.

Britain's official inquiry into the BCCI closure found the Bank of England had not fully used its regulatory powers in supervising the bank.

Keith Vaz, a member of Parliament who has championed the creditors' cause, welcomed the legal action, calling it "the most significant act taken by the liquidators in the 15 months' campaign."

EC Unemployment Seen Rising

By Jon Henley
Special to the Herald Tribune
COPENHAGEN — The European Community has little hope of reversing rising unemployment, currently more than 17 million and growing, until 1995 or 1996, a senior EC official said Monday.

Economic Affairs Commissioner Hennning Christophersen said, "Even if we see a continued fall in EC interest rates, industry will probably focus on consolidation, meaning that we do not expect the unemployment curve to turn until 1995 or 1996."

Mr. Christophersen, a Dane, who is vice president of the EC Commission, was speaking at a seminar in Copenhagen arranged by the Danish financial newsletter Mandag Morgen.

Confirming an earlier EC statement, he said the commission expected zero or below-zero overall economic growth in the Community in 1993, with hopes for positive growth in 1994.

"But it is not yet possible to see any clear signs that we are heading toward positive growth in 1994," Mr. Christophersen said.

He was critical of the idea that a general easing of fiscal policy in the Community was the right way to spur growth and create jobs. "In countries like Britain and Italy there is no room for a further easing of fiscal policy," he said.

Mr. Christophersen said the Community expected short-term German interest rates to fall further this year, by between 1.5 percent and 2 percent.

"I believe we will see a general further decline in short rates in Europe in 1993. The only uncertainty is over the pace of the fall," he said.

Officially, the commission is still predicting a recovery next year fueled by declining interest rates and an expected upturn in business and consumer confidence, said an official who spoke on condition of anonymity. But those hopes are being scaled back because the downturn in Germany has turned out to be much deeper and longer than expected, he said.

"They have fallen off a cliff," he said. The commission probably will lower its current 1994 growth forecast of 2.5 percent by about a percentage point when it issues revised figures next month, the official said. That would be in line with declining expectations for 1993.

The EC has announced a \$5 billion European Currency Unit (\$42 billion) plan to boost faltering economic growth and reverse the rise in unemployment, which is seen as one of the bloc's biggest problems.

Thinking Ahead

Presidents Go Wrong on Japan

By Reginald Dale
Special to the Herald Tribune
WASHINGTON — Almost unbelievably, Bill Clinton is falling into the same trap that ensnared George Bush in his disastrous election-year trip to Tokyo to demand "jobs, jobs, jobs" for American workers, the low point of his presidency.

As he forces an ill-advised showdown with Tokyo with demands for "managed" trade, Mr. Clinton is doing just what Mr. Bush was rightly lambasted for doing early in 1992 — narrowing the U.S.-Japan relationship to the single issue of commerce.

Mr. Bush made that mistake, against his own better judgment, in the false belief that it would help get him re-elected. Mr. Clinton is making it because he naively thinks that in the post-Cold War era he can neglect broader strategic issues in dealing with Japan and focus on economics alone.

Unfortunately, Mr. Clinton's error is likely to be much more costly for everyone else. If he goes ahead with demands for numerical targets for Japanese trade, he risks sabotaging the free-market principles that have generated unprecedented world prosperity in the half-century since World War II.

But that's not all. Among the astonishing contradictions of Mr. Clinton's approach:

- He is allowing the Japanese to pose as the champions of free trade, for the first time ever.
- He is on the verge of taking a big step toward Communist-style trade quotas while urging Russia to open its economy to market forces.
- He is antagonizing Japan at the same time as he is asking it to dig deep into its pockets to help Russia — a request Tokyo already deeply resents.
- He is jeopardizing the success of July's economic summit meeting of the Group of Seven industrial powers in Tokyo, although his administration says it wants to reinvigorate G-7 cooperation under American leadership.
- He is risking a split with free-trading allies in the Group of Seven, notably Germany, Britain and Canada, who for the first time ever are inclined to side with Japan against the United States on a major trade issue.
- By his example, he is encouraging protection-

Thinking Ahead

Presidents Go Wrong on Japan

By Reginald Dale
Special to the Herald Tribune
WASHINGTON — Almost unbelievably, Bill Clinton is falling into the same trap that ensnared George Bush in his disastrous election-year trip to Tokyo to demand "jobs, jobs, jobs" for American workers, the low point of his presidency.

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ist forces in France to resist the dismantling of trade-distorting European Community policies, particularly in agriculture, at a time when Washington says it wants a successful conclusion to the Uruguay Round.

- By clumsily putting pressure on Prime Minister Kiichi Miyazawa he is strengthening the Japanese leader's domestic political support, allowing him better to resist that pressure.
- He is denying the U.S. economy the benefits of open competition when it should be restructuring to meet the challenges of the North American Free Trade Area, which he supports, and turn the tables on Japan in the 21st century.

Even more astonishingly, the administration does not seem to have thought through what it will do if, as is to be hoped and expected, Japan rejects its demands. And it is asking Japan to rig the system against itself at a time when, as the Japanese are the first to point out, Japanese industry is becoming both less competitive and more subject to such Western-style pressures as demands from consumers, shareholders and organized labor.

Of course Japan is not perfect. It still restricts access to its market for goods and investment, and it should be relating faster — the best way of easing its trade surplus. But on managed trade Japan is right and Mr. Clinton is wrong.

Mr. Clinton should instead be devoting his energy to encouraging Americans to save more and spend less, and to real, long-term reductions in the U.S. budget deficit. Particularly at a time of international recession, he should be thinking up ways to combat protectionism, not encourage it.

More fundamentally, Mr. Clinton should be concentrating on how to create a new, more equal strategic partnership with Japan at a time when Asia is gaining economic and political clout and China is heading toward superpower status. He should be preparing for the day when the Japanese will no longer be the sole representatives of Asia at the world's top table but will still be natural allies of the West if they are correctly treated.

Even though he blundered in Tokyo, George Bush basically understood that.

Soviet Industry Dons Civvies

Military Suppliers Now Making Fridges, Fishing Poles

By Erik Ipsen
Special to the Herald Tribune
BIRMINGHAM, England — Iakov Stekol, deputy chief engineer at the Moscow Plant for Electromechanical Apparatus, was promoting his newest product, the "Penguin" home ice-cream maker.

"We used to make gyroscopes for rockets and spacecraft," he said. "Now we make different stuff."

Mr. Stekol's appliances were on display Monday at a trade show here called "Conversion '93." The focus of the show is the sometimes-surprising new uses to which the former Soviet republics are trying to put the remnants of the country's vast military-industrial complex.

Boris Pankin, Russia's ambassador to Britain, billed the show a display of technologies developed by the notorious defense industry and hidden from the world for 40 years.

In the cavernous Hall No. 6 of Birmingham's National Exhibition Center here, the emphasis was overwhelmingly on butter, not guns. The rows of refrigerator-freezers and hi-tech fire extinguishers spoke of an industry heading for the consumer market at a gallop.

Over at the Atomic Energy stand, Leonid Kuznetsov, director of the Ural Electromechanical

Plant, was happily talking up his group's ability to churn out compact disks at prices that undercut those in the West by a third. Pointing to a display including such utilities as "Stavonice Farewell" and "Mastopetskiy of Russian Orthodox Music," the 55-year-old engineer said, "Times are difficult and we hope to transform production of our plant from weapons to newer products."

One of the most striking examples of that transformation was the exhibition's literal centerpiece, a 5.2-meter (17-foot) sailboat that towered over the other exhibits at the

aviation industry stand. Only the oddly aerodynamic contour of its sleek white hull and the fact that it is made of aluminum, not the fiberglass favored in the West, hinted at the identity of its manufacturer. It is made by Tupolev, once the Soviet Union's answer to Boeing Co.

"The equipment intended for making missiles and airplanes is not very intensively used right now," explained Vladimir Emelyanov, director of the Tupolev Design Bureau. That not only freed up plant space and labor, but in Tupolev's view, it saved lives.

See PEACE, Page 19

CURRENCY & INTEREST RATES

Cross Rates		Eurocurrency Deposits	
	May 24		May 24
Amsterdam	1.86	Dollar	3 1/2-3 3/4
Berlin	2.81	D-Mark	7 1/2-7 3/4
Bombay	1.47	Swiss	5 1/2-5 3/4
Buenos Aires	1.47	French	5 1/2-5 3/4
London (1st)	1.53	Yes	7 1/2-7 3/4
London (2nd)	1.53	ECU	7 1/2-7 3/4
Madrid	1.62		
New York (1st)	1.53		
New York (2nd)	1.53		
Paris	1.53		
Tokyo	1.53		
Zurich	1.62		
1 ECU	1.94		
1 SDR	1.84		

Key Money Rates	
United States	Close Prev.
Discount rate	5.00 5.00
Federal funds	3 1/2 3 1/2
3-month CDs	3 1/2 3 1/2
6-month CDs	3 1/2 3 1/2
9-month CDs	3 1/2 3 1/2
1-year CDs	3 1/2 3 1/2
1-year Treasury bill	4 1/2 4 1/2
2-year Treasury bill	5 1/2 5 1/2
3-year Treasury bill	5 1/2 5 1/2
5-year Treasury bill	5 1/2 5 1/2
7-year Treasury bill	5 1/2 5 1/2
10-year Treasury bill	5 1/2 5 1/2
10-year Treasury note	5 1/2 5 1/2
10-year Treasury bond	5 1/2 5 1/2
10-year Treasury Inflation Protected Security	5 1/2 5 1/2

Other Dollar Values	
Currency	Per \$
Australian dollar	1.47
Canadian dollar	1.47
Deutsche mark	1.62
French franc	1.53
Italian lira	1.94
Japanese yen	147
Swiss franc	1.62
British pound	1.53
Spanish peseta	166.67
Portuguese escudo	200.48
Belgian franc	133.33
Dutch guilder	1.86
Irish punt	0.78
Scottish pound	1.53
South African rand	1.53
South Korean won	187.50
Thai baht	47.83
Chinese yuan	8.27
Indian rupee	47.83
Malaysian ringgit	2.33
Philippine peso	47.83
Singapore dollar	1.53
Taiwan dollar	1.53
Hong Kong dollar	1.53
Maldivian rufiyaa	1.53
Nepalese rupee	1.53
Sri Lankan rupee	1.53
Uruguayan peso	1.53
Vietnamese dong	1.53

REPUBLIC OF PANAMA INTEROCEANIC REGION AUTHORITY AND MINISTRY OF PLANNING AND ECONOMIC POLICY (MIPPE) INVESTMENT FUND ANNOUNCEMENT

PUBLIC COMPETITION FOR PREQUALIFICATION OF CONSULTING FIRMS TO CARRY OUT THE STUDIES, REGIONAL PLAN FOR DEVELOPMENT OF THE INTEROCEANIC REGION AND GENERAL PLAN FOR USE, CONSERVATION AND DEVELOPMENT OF THE CANAL AREA.

An invitation is hereby extended to national and foreign consulting firms, of member countries of the Inter-American Development Bank (IDB), interested in participating in the prequalification competition, to submit the information that is required for technical, administrative and economic aspects for the preparation of the REGIONAL PLAN and the GENERAL PLAN, as defined by Law No. 5 of February 25, 1993, by which the INTEROCEANIC REGION AUTHORITY of Panama is created and the measures on the River Area are adopted.

The firms must be qualified in the fields of economic analysis, regional planning, natural resources management, urban land use planning, development of maritime and port related activities, engineering, programming, infrastructure investment development, evaluation of military installations for civil use, real estate appraisal and related skills.

The interested firms may obtain the document containing the Bases for Prequalification and its Addendum No. 1 in the offices of the Interoceanic Region Authority, located in the building at No. 720-A, Calle Balboa, Carreterito de Amén, Panama City, after 9:30 a.m. on May 7, 1993. This Base Document will not be valid if the interested firm does not sign it.

The information requested must be submitted no later than 10:00 a.m., June 22, 1993, at the above-mentioned office.

The Government of Panama shall be under no obligation to give any explanation for the exclusion of any firm in the list of pre-qualified firms, shall not return any cost incurred by the interested firm in submitting the information, and it reserves the right to amend, cancel or declare this invitation void.

INTEROCEANIC REGION AUTHORITY
Adolfo De Obando

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IFINT
Société Anonyme
Registered Office: Luxembourg - 2, Boulevard Royal
R.C. Luxembourg B-6734
Messrs. Shareholders are invited to attend on Wednesday, June 2, 1993 at 11 a.m. in the Grand Salle of the Grand Hotel de Ville, 89 Avenue de l'Éclair, Luxembourg the Annual Shareholders' General Meeting with the following agenda:

1. Directors' Report.
2. Statutory Auditors' Report.
3. Approval of the Consolidated and Parent Financial Statements for the year ended December 31, 1992.
4. Appropriation of 1992 net income.
5. Discharge of Directors and Statutory Auditors.
6. Directors' and Statutory Auditors' fees for the year ended December 31, 1992.
7. Election of the members of the Board of Directors and Statutory Auditors.
8. Authorization of the Board of Directors to repurchase Company's shares.

In order to be able to attend the meeting, holders of bearer shares will have to deposit their bearer shares five days before the date of the meeting, at the Registered Office of the company or with one of the following banks:

- in Luxembourg: Banque Internationale à Luxembourg;
- in Italy: all the leading banks;
- in Switzerland: Crédit Suisse, Banca Commerciale Italiana;
- in France: Lazard Frères & Co.;
- in the Federal Republic of Germany: Commerzbank;
- in Great Britain: S.G. Warburg and Co., Lazard Frères and Co.;
- in the Netherlands: Amsterdam-Rijdscherm Bank;
- in Belgium: Banque Brabant-Lambers.

Holders of registered shares will have to inform the Company within the same time lapse of their intention to attend the meeting.

The shareholders are requested to comply with article 20 of the articles of incorporation.

Shareholders may, on and after May 25, 1993, inspect at the registered office of the company the annual report and the text of the proposed resolutions.

THE BOARD OF DIRECTORS

MARKET DIARY

Advance by Bonds Bolsters Blue Chips

Compiled by Our Staff From Dispatches NEW YORK — Blue-chip stocks rose Monday, boosted by trading on the Big Board was a relatively light 196.7 million shares.

N.Y. Stocks

York Stock Exchange led, advanced by an 8-1/2 margin. Trading on the Big Board was a relatively light 196.7 million shares.

The drop in gold and a similar drop in the Commodity Research Bureau index may diminish the chances the Federal Reserve would raise short-term interest rates to fight price pressures, analysts said.

FRANCE: Huge Loan Planned

(Continued from first finance page) trend in European rates. The Bank of Norway cut the key overnight lending rate to 7.50 percent from 7.75 percent.

Analysts predicted that the French government bond, expected to carry a coupon of around 7 percent, would be tailored for private investors and probably carry a fiscal incentive designed to draw funds currently invested in money-market instruments.

They said that the rate cuts — and the extra spending on joblessness — underscored the government's nervousness about the depth of the current economic slump.

"It seems the government has started to panic somewhat about the recession," said Philippe Brossard at Credit Lyonnais. He said the government was anxious to push interest rates much lower to help struggling industry.

led lower amid weakness in shares of Kellogg Co. and General Mills Inc. Kellogg, the world's top producer of ready-to-eat cereals, said it expected second-quarter net income to be 10 percent below the 68 cents a share of a year ago.

General Mills said it expected to take a fourth-quarter charge of 28 cents to 30 cents a share as it speeds up restructuring at its consumer-foods manufacturing operations and closes some restaurants.

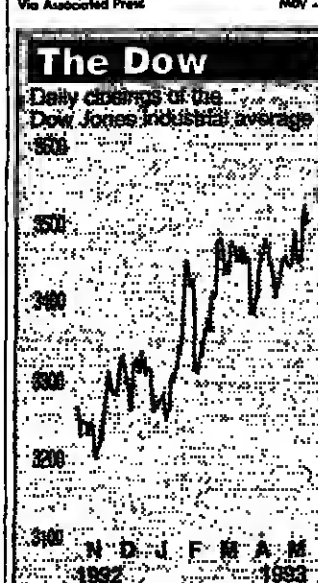
Kellogg's stock closed down 2 1/4 at \$33; General Mills fell 2 to 67 1/2; Procter & Gamble's stock closed down 3/4 at 49 1/2.

Although the drop in gold prices helped general sentiment, it hurt gold-mining stocks. Echo Bay Mines closed 1/2 lower at 1 1/4 and Newmont Mining Co. fell 1/4 to 50 1/4.

Amgen Inc. was lowered to "source of funds" from "neutral" by Hambrecht & Quist's biotechnology analyst on concern about slowing growth in sales of Neupogen, a drug designed to boost the immune systems of patients undergoing chemotherapy.

A Microsoft Corp. co-founder, Paul Allen, who has said in SEC filings that he may seek to buy America Online Inc., an electronic provider of news, games and other services, filed to sell 1.3 million shares of Microsoft, America Online closing up 2 1/4 at 36 1/2 after jumping 4 1/2 points Friday.

On the currency markets Monday, the franc remained firm against the mark, but it nonetheless fell against the dollar, which was boosted by speculation that the Federal Reserve may be contemplating a rise in interest rates. In New York, the dollar rose to 5.16 francs from 5.13 francs Friday.



NYSE Most Active

Table listing the most active NYSE stocks, including AAPL, IBM, and Microsoft, with columns for volume, high, low, and change.

AMEX Stock Index

Table showing the AMEX stock index performance, including volume, high, low, and change.

NYSE Diary

Table detailing NYSE trading activity, including advanced, unchanged, and total issues, along with new highs and lows.

AMEX Diary

Table detailing AMEX trading activity, including advanced, unchanged, and total issues, along with new highs and lows.

NASDAQ Diary

Table detailing NASDAQ trading activity, including advanced, unchanged, and total issues, along with new highs and lows.

Dow Jones Averages

Table showing the Dow Jones Industrial Average and other major indices with columns for open, high, low, and close.

Standard & Poor's Indexes

Table showing Standard & Poor's industry and market indices with columns for high, low, close, and change.

NYSE Indexes

Table showing NYSE industry and market indices with columns for high, low, close, and change.

NASDAQ Indexes

Table showing NASDAQ industry and market indices with columns for high, low, close, and change.

AMEX Stock Index

Table showing the AMEX stock index performance with columns for high, low, close, and change.

Dow Jones Bond Averages

Table showing the Dow Jones Bond Averages with columns for high, low, close, and change.

Market Sales

Table showing market sales for NYSE, AMEX, and NASDAQ with columns for volume and value.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. odd-lot trading activity with columns for buy and sell orders.

S&P 100 Index Options

Table showing S&P 100 index options with columns for strike price, bid, ask, and volume.

EUROPEAN FUTURES

Table showing European futures for food and metals with columns for class, high, low, and change.

Food

Table showing food futures prices for items like cocoa and coffee.

Metals

Table showing metal futures prices for items like aluminum and zinc.

Stock Indexes

Table showing European stock index futures for the FTSE 100.

Spot Commodities

Table showing spot commodity prices for various goods.

Dividends

Table showing dividend payments for various companies.

Financial

Table showing financial futures prices for items like the 3-month sterling.

U.S. FUTURES

Table showing U.S. futures prices for grains and metals.

Grains

Table showing U.S. grain futures prices for wheat and corn.

Metals

Table showing U.S. metal futures prices for copper and silver.

Livestock

Table showing U.S. livestock futures prices for cattle and hogs.

Financial

Table showing U.S. financial futures prices for Treasury bonds.

U.S. / AT THE CLOSE

Clinton Calls for Revamp of Airlines

WASHINGTON (AFP) — Reviving the U.S. aviation industry is a key to rebuilding the U.S. economy, President Bill Clinton said Monday at the opening of a special commission studying the ills of U.S. airlines.

Single HDTV Standard Is Approved

NEW YORK (Reuters) — American Telephone & Telegraph Co. and six other companies have agreed to a single standard for digital high-definition television signals, a professor involved in the project said on Monday.

General Mills Closing Restaurants

NEW YORK (Combined Dispatches) — General Mills Inc. said Monday it would take a charge of \$45 to \$50 million in the fourth quarter for restructuring its consumer-foods manufacturing facilities and closing 31 of its 1,075 restaurants.

For the Record

Business Men's Assurance Co. of America, a unit of Italy's Assicurazioni Generali SpA, said it had agreed to buy Jones & Babson Inc., a mutual-fund company that manages about \$1.7 billion.

Weekend Box Office

Table showing weekend box office results for various movies, including 'Silver' and 'The Sandlot'.

IBM to Raise Up to \$3 Billion

ARMONK, N.Y. — International Business Machines Corp. looking to raise cash in the bond market amid the lowest long-term interest rates in about 20 years, said Monday it could sell as much as \$3 billion in debt and preferred stock over the next nine to 12 months.

World Stock Markets

Table showing world stock market performance for various cities including Amsterdam, Brussels, Frankfurt, London, and Paris.

Market Closed

The stock markets in Montreal and Toronto were closed Monday for a holiday. Stock prices from Madrid, Milan and Stockholm were not available due to problems at the source.

Advertisement for 'TO OUR READERS IN HOLLAND' with a subscription offer: 'It's never been easier to subscribe and save. Just call today: 02503-24024'.

Large table titled 'U.S. / AT THE CLOSE' containing detailed market data for various commodities, currencies, and indices, including prices, changes, and volumes.

Handwritten notes and signatures in the top right corner, including 'Krupp Post-1992' and 'Steel Orders'.

مكتبة الامارات

Krupp Posts 1992 Loss As Steel Orders Sag

Compiled by Our Staff From Dispatches
DORTMUND, Germany — The German steelmaker Krupp Stahl AG said Monday it had swung to a group loss of 191 million Deutsche marks (\$118 million) in 1992, from a pretax profit of 215 million DM a year earlier.

Jürgen Harnisch, chairman of Krupp Stahl, said group third-party sales sank 9 percent last year, to around 7 billion DM. He attributed the sales decline to the "complete deterioration of steel prices" in the reporting period.

Last year's earnings were undermined primarily by a poor performance in steel operations, Mr. Harnisch said.

"Sharply lower sales of all products worsened 1992's results by about 380 million marks from a year before," Mr. Harnisch said. At the same time, the company was able to cut costs only marginally on raw materials bought in 1992.

Krupp Stahl said that orders in the last six months of 1992 had slumped 24 percent in volume terms from a year earlier. It attributed the slide to a collapse in demand for untreated fine steel and hot rolled sheet steel products from many customers, particularly from carmakers.

Krupp said further that prospects for the steel industry in the current year were "persistently bad," adding: "In almost all areas of steel consumption, production will decline."

Mr. Harnisch said last year's rise in overall expenditure, due mostly to higher staff costs, was nearly offset by the effects of the sweeping rationalization and cost-cutting program begun in 1991.

In addition, the company said that its subsidiaries showed a combined profit of 64 million DM last year and that this had helped narrow the group's loss.

Separately, Metaleurop SA said it would introduce temporary job cuts at several of its lead foundries to adapt to weak demand and a rise in imports from Eastern Europe.

Metaleurop said it would close its lead foundries at Noyelles-Gaultain in northeastern France and at Nordenham, Germany, from June 15 until Aug. 15.

It also said it would introduce partial unemployment at another German foundry at Oker for five months. (Bloomberg, AFP, APF)

A Conservative Vision of Spain's Future

By Karina Robinson
Special to the Herald Tribune

MADRID — When Spain goes to the polls June 6, the conservative opposition People's Party is an even-money bet to emerge as the leader of a governing coalition, according to the polls.

If the party does oust the ruling Socialists of Prime Minister Felipe González, its economy minister is likely to be Rodrigo Rato. In an interview, he gave his vision of Spain 10 years from now under a conservative government.

"Spain would come out with a smaller public sector, a political economy centered more on companies and with faster employment creation," he said.

Unemployment has become one of the major election issues. On May 13, the announcement of the third peseta devaluation within a year overshadowed the publication of official statistics pointing to record unemployment of more than 21 percent. Only 1.9 percent of the unemployed have any sort of a technical education.

"We want to make a profound change in the field of professional formation," Mr. Rato said. "There have been nine different professional formation programs in the last 10 years, which shows that none of them have been very useful."

"We want professional formation to be more closely associated with companies, so that within the apprenticeship programs they can obtain qualifications recognized by the Ministry of Education and the market," he

added. "The German model is, in this case, a very interesting one."

His party would also make the payment of an unemployment subsidy dependent on professional training courses.

Another major problem facing Spain is inflation of almost 6 percent. This is caused by a number of structural problems that the Socialists failed to address in the good years.

'Nobody believes the numbers we are given.'

Rodrigo Rato

When Spain had just joined the European Community and growth rates were far above the Community average. Now, with the country in the midst of a Europe-wide recession, forcing change through is a Herculean task.

The fault lies with inflexibilities in the labor and services sectors, economists say. Companies in both the private and public sector are overstaffed, but the cost of laying off workers is such that restructuring the work force is extremely difficult. Social-security costs are high, and this year already add around 3 percent to wage rates that are coming in at an average 5 percent. All of this provides a disincentive to hiring workers, and the PP would favor temporary contracts.

These generally last for six months, are often renewed and have proved popular with employers, less popular with the unions.

Mr. Rato also points the finger of responsibility for inflationary pressures at service sectors like energy and telecommunications.

"Energy and telephones are more expensive in Spain than abroad," he said. "Many of the rigidities in the fixing of prices in the service sector come from the had application of competition law. There is a huge field in which the Competition Tribunal has to act: it should study and penalize collusion, cartel and monopolies that damage the interests of the consumer."

As for the deficit, 3.3 percent of gross domestic product in 1992, Mr. Rato promises a public audit. "Nobody believes the numbers we are given: the ministry, the central bank and the government all say different things," he said.

As one way of addressing budget-busting corruption in tendering for public contracts, the People's Party says it will open up projects to public tender.

It plans to go ahead with the many infrastructure plans announced by the Socialists in the last few months. Spain still has huge needs for roads, airports and trains. But Mr. Rato thinks the 1992 investment for the Seville Exposition and the Barcelona Olympics, much of which went on infrastructure, was not well spent. He points out that many of the projects cost double the original estimates and says the excessive amounts spent are partly to blame for Spain's recession.

"If you gave a party in your house, and invited everyone to help themselves to not one, not even two, portions of caviar, but to a 1-kilogram tin, and took them all on a private plane to the Bahamas," he said, "then next year when your hanks take away your credit cards, there lies your explanation."

U.K. to Sell All of Its Stake in BT

Compiled by Our Staff From Dispatches

LONDON — The British Treasury said Monday it would sell "substantially all" its 22 percent stake in British Telecommunications PLC to raise approximately £5 billion (\$7.73 billion).

The Treasury said the sale of the third and final tranche of the government's holding in BT would take place in mid-July.

The Treasury said the sale will be of "substantially the entire government holding... subject to demand and market conditions."

The prospectus on what the government has called the BT-3 sale will be published on June 29.

At least half the shares to be sold will be offered to retail investors, the Treasury said. The British public offer price will be at a predetermined discount to the international offer price and the shares will be payable in three instalments.

Special arrangements will be made for existing BT shareholders and BT employees to buy shares under BT-3.

The Treasury said that institutional investors who increased their shareholdings in BT between the close of business last Friday and the close of the offer period would be given more favorable treatment in allocation.

In addition, the Treasury said the retail tender included special arrangements for tax-free personal equity plans.

BT-3 will be structured as a non-underwritten global offer using an innovative global syndicate structure to market the offer.

"The marketing campaign for the BT-3 share offer promises to be exciting and innovative," said Stephen Dorrell, financial secretary to the Treasury. "Our intention is to maximize proceeds for the taxpayer while further widening and deepening share ownership." (AFP, Reuters)

Investor's Europe

Frankfurt DAX 1992	London FTSE 100 Index 1992	Paris CAC 40 1992
1700	2900	2100
1500	2700	1900
1300	2500	1700
1100	2300	1500
900	2100	1300
700	1900	1100
500	1700	900
300	1500	700
100	1300	500
0	1100	300
1992	1992	1992

Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	105.10	104.50	+0.57
Brussels	Stock Index	6,087.84	6,108.26	-0.33
Frankfurt	DAX	1,603.09	1,610.59	-0.47
Frankfurt	FAZ	635.25	635.79	-0.08
Helsinki	HEX	1,245.70	1,248.24	-0.12
London	Financial Times 30	2,193.80	2,187.50	+0.29
London	FTSE 100	2,625.60	2,612.20	+0.48
Madrid	General Index	256.67	256.00	+0.26
Milan	MIB	1,230.00	1,232.00	-0.16
Paris	CAC 40	1,841.23	1,836.78	+0.24
Stockholm	Afaersvaerden	N.A.	1,311.59	
Vienna	Stock Index	362.45	365.15	-0.74
Zurich	SBS	761.60	760.20	+0.18

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Tevo PLC will make a public offer for all outstanding preferred shares, convertible bonds and warrants of Cateau SA at a price that values the French concern at £174 million (\$209 million).
- Credit Lyonnais, the largest external creditor of the bankrupt Sasea Holding SA, has formally lodged fraud charges against the former Sasea chairman, *Philippe Fiorini*, according to judicial sources in Geneva.
- Hoover-Europe will close its plant at Longueville in eastern France, which employs 680 people, Chairman Gerald Kamman said.
- Swiss Bank Corp. will acquire Arbiotech Fondkommission AB of Sweden and its associated companies Denstun Ltd. and Arbiotech AB. Terms were not disclosed.
- Incentive AB said first-quarter profit after financial items rose to 282 million Swedish kronor (\$39 million), from 238 million a year earlier. Incentive holds a 25 percent stake in Asea AB, which contributed 186 million kronor to profit after financial items.
- Carlton Communications PLC reported higher half-year earnings and said it expected its new broadcast-television division to make a profit in the second half. Carlton's pretax profit surged 16 percent to £55.1 million in the six months ended March 31. (AFP, APF, Bloomberg, Reuters)

PEACE: Old Soviet Military Industry Dons Civvies

(Continued from first finance page)

lev's case it also meant that huge forms used to press fuselages for the company's version of the ubiquitous Boeing 737 — Tupolev's Tu-155 — now stamp out sailboat hulls on a part-time basis.

Mr. Emelyanov insisted that his newest venture had proven surprisingly easy to bring to fruition. He contrasted that experience with an earlier effort at conversion, an order from the government two years ago for Tupolev to design and manufacture macaroni-making equipment. "We had good brains trying to solve the problems of making macaroni," he recalled of the now-shelved endeavor. "If you are hungry enough you can make anything."

Other parts of the old military-industrial complex clearly have had their own challenges. One of the greatest was that faced by the "Amunition and Specific Chemistry" industry. On display at its stand were everything from rather fearsome-looking fireworks (with an accompanying promotional video) to fishing poles.

Closer to its roots, that industry also trumpeted a breakthrough in

the scrapping of armored combat vehicles. An average T-55 tank contains 30 tons of valuable scrap metal, although getting it used to mean five workers had to slog away for two days with acetylene torches.

A poster above a table heaped with sinister-looking coils of plastic explosives detailed Russia's latest breakthrough in turning tanks into tin cans — blowing the former pride of the Soviet army to bits. Russian industry spokesmen claim that just three workers using 300 kilograms (660 pounds) of high explosives can now complete the job in just one day. "And I am sure it would be a lot more fun too," said Paul Beaver, an editor with *Defense Weekly* as he studied the photographic evidence.

On the first day of what will be a four-day show designed to sign up Western companies for joint projects with their Russian counterparts, attendance was sparse. The response to technologies hilled in the exhibit's brochure as those developed at "untold cost" was decidedly cool.

"I don't think a lot of what I see here," said David Wyn Jones, an

Englishman who is chairman of a bakery company called Moscow Bread. Rather than shopping for equipment, he said he was looking for manufacturing capacity. "Anything that is labor-intensive, Russia is the place to have it made," he said.

While Russia's military-industrial complex has changed much of its output it has yet to change many of its attitudes. In the midst of a wildly eclectic array of products that ranged from electric sawmovers to washing machines to an "anti-bed-sore pneumatic mattress" there were signs that the old command economy lingered on.

Inflation Pledge

Russia's government and central bank have jointly pledged to try to cut inflation to 10 percent a month by the end of the year. Interfax news agency said on Monday, according to a Reuters report from Moscow.

The joint policy document was aimed at ending a year of policy conflicts between the government and the bank and paving the way for the International Monetary Fund credits.

Dutch Airline Confirms 'Large' Loss for Year

AFP-Luxembourg

AMSTELVEEN, Netherlands — KLM Royal Dutch Airlines said Monday it had posted a "large" loss in the year ended in March. But the airline said it would not release figures for the year, nor make any forecast for the current year, until June 3.

KLM was responding to reports of a loss of about 600 million guilders (\$330 million) in the year ended in March.

Prague Starts Handing Out Shares to Privatize Firms

The Associated Press

PRAGUE — The government started distributing shares of 987 state enterprises to private investors Monday in the first true test of the country's coupon privatization program. About 2 million individuals and 400 investment funds will get their shares by June 30, launching what officials hope will be a brisk capital market needed to revitalize obsolete Czech industries.

The program was designed to speed the transfer of former Communist enterprises to

private hands, a crucial step in the country's economic reforms. It has been imitated in part by Poland and in parts of the former Soviet Union.

Czechoslovak citizens acquired rights to shares last year by buying books of investment coupons for a symbolic price equivalent to about \$35 to cover administrative costs and then by indicating which firms they wanted to invest in. The plan involved nearly 278 million shares initially valued at 372 billion koruny (\$13.3 billion).

Many entrusted their shares to investment funds, some of which promised hefty returns. Public confidence in the scheme could well depend on how those funds perform.

Although the breakup of Czechoslovakia into separate Czech and Slovak states Jan. 1 has caused some problems, the share distribution is proceeding as planned in both countries.

Slovakia, which has a much smaller economy, started distributing shares in April.

NYSE Monday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

12 Month High	Low	Stock	Div	Yld	PE	52 Wk High	Low	Level	Change
12.50	11.00	Amgen	0.00	0.00	15.00	12.50	11.00	11.50	+0.50
12.00	10.50	Amgen	0.00	0.00	15.00	12.00	10.50	11.00	+0.50
11.50	10.00	Amgen	0.00	0.00	15.00	11.50	10.00	10.50	+0.50
11.00	9.50	Amgen	0.00	0.00	15.00	11.00	9.50	10.00	+0.50
10.50	9.00	Amgen	0.00	0.00	15.00	10.50	9.00	9.50	+0.50
10.00	8.50	Amgen	0.00	0.00	15.00	10.00	8.50	9.00	+0.50
9.50	8.00	Amgen	0.00	0.00	15.00	9.50	8.00	8.50	+0.50
9.00	7.50	Amgen	0.00	0.00	15.00	9.00	7.50	8.00	+0.50
8.50	7.00	Amgen	0.00	0.00	15.00	8.50	7.00	7.50	+0.50
8.00	6.50	Amgen	0.00	0.00	15.00	8.00	6.50	7.00	+0.50
7.50	6.00	Amgen	0.00	0.00	15.00	7.50	6.00	6.50	+0.50
7.00	5.50	Amgen	0.00	0.00	15.00	7.00	5.50	6.00	+0.50
6.50	5.00	Amgen	0.00	0.00	15.00	6.50	5.00	5.50	+0.50
6.00	4.50	Amgen	0.00	0.00	15.00	6.00	4.50	5.00	+0.50
5.50	4.00	Amgen	0.00	0.00	15.00	5.50	4.00	4.50	+0.50
5.00	3.50	Amgen	0.00	0.00	15.00	5.00	3.50	4.00	+0.50
4.50	3.00	Amgen	0.00	0.00	15.00	4.50	3.00	3.50	+0.50
4.00	2.50	Amgen	0.00	0.00	15.00	4.00	2.50	3.00	+0.50
3.50	2.00	Amgen	0.00	0.00	15.00	3.50	2.00	2.50	+0.50
3.00	1.50	Amgen	0.00	0.00	15.00	3.00	1.50	2.00	+0.50
2.50	1.00	Amgen	0.00	0.00	15.00	2.50	1.00	1.50	+0.50
2.00	0.50	Amgen	0.00	0.00	15.00	2.00	0.50	1.50	+0.50
1.50	0.00	Amgen	0.00	0.00	15.00	1.50	0.00	1.00	+0.50
1.00	0.00	Amgen	0.00	0.00	15.00	1.00	0.00	0.50	+0.50
0.50	0.00	Amgen	0.00	0.00	15.00	0.50	0.00	0.00	+0.50
0.00	0.00	Amgen	0.00	0.00	15.00	0.00	0.00	0.00	+0.50

12 Month High	Low	Stock	Div	Yld	PE	52 Wk High	Low	Level	Change
12.50	11.00	Amgen	0.00	0.00	15.00	12.50	11.00	11.50	+0.50
12.00	10.50	Amgen	0.00	0.00	15.00	12.00	10.50	11.00	+0.50
11.50	10.00	Amgen	0.00	0.00	15.00	11.50	10.00	10.50	+0.50
11.00	9.50	Amgen	0.00	0.00	15.00	11.00	9.50	10.00	+0.50
10.50	9.00	Amgen	0.00	0.00	15.00	10.50	9.00	9.50	+0.50
10.00	8.50	Amgen	0.00	0.00	15.00	10.00	8.50	9.00	+0.50
9.50	8.00	Amgen	0.00	0.00	15.00	9.50	8.00	8.50	+0.50
9.00	7.50	Amgen	0.00	0.00	15.00	9.00	7.50	8.00	+0.50
8.50	7.00	Amgen	0.00	0.00	15.00	8.50	7.00	7.50	+0.50
8.00	6.50	Amgen	0.00	0.00	15.00	8.00	6.50	7.00	+0.50
7.50	6.00	Amgen	0.00	0.00	15.00	7.50	6.00	6.50	+0.50
7.00	5.50	Amgen	0.00	0.00	15.00	7.00	5.50	6.00	+0.50
6.50	5.00	Amgen	0.00	0.00	15.00	6.50	5.00	5.50	+0.50
6.00	4.50	Amgen	0.00	0.00	15.00	6.00	4.50	5.00	+0.50
5.50	4.00	Amgen	0.00	0.00	15.00	5.50	4.00	4.50	+0.50
5.00	3.50	Amgen	0.00	0.00	15.00	5.00	3.50	4.00	+0.50
4.50	3.00	Amgen	0.00	0.00	15.00	4.50	3.00	3.50	+0.50
4.00	2.50	Amgen	0.00	0.00	15.00	4.00	2.50	3.00	+0.50
3.50	2.00	Amgen	0.00	0.00	15.00	3.50	2.00	2.50	+0.50
3.00	1.50	Amgen	0.00	0.00	15.00	3.00	1.50	2.00	+0.50
2.50	1.00	Amgen	0.00	0.00	15.00	2.50	1.00	1.50	+0.50
2.00	0.50	Amgen	0.00	0.00	15.00	2.00	0.50	1.50	+0.50
1.50	0.00	Amgen	0.00	0.00	15.00	1.50	0.00	1.00	+0.50
1.00	0.00	Amgen	0.00	0.00	15.00	1.00	0.00	0.50	+0.50
0.50	0.00	Amgen	0.00	0.00	15.00	0.50	0.00	0.00	+0.50
0.00	0.00	Amgen	0.00	0.00	15.00	0.00	0.00	0.00	+0.50

12 Month High	Low	Stock	Div	Yld	PE	52 Wk High	Low	Level	Change
12.50	11.00	Amgen	0.00	0.00	15.00	12.50	11.00	11.50	+0.50
12.00	10.50	Amgen	0.00	0.00	15.00	12.00	10.50	11.00	+0.50
11.50	10.00	Amgen	0.00	0.00	15.00	11.50	10.00	10.50	+0.50
11.00	9.50	Amgen	0.00	0.00	15.00	11.00	9.50	10.00	+0.50
10.50	9.00	Amgen	0.00	0.00	15.00	10.50	9.00	9.50	+0.50
10.00	8.50	Amgen	0.00	0.00	15.00	10.00	8.50		

Korea's Chaebol Start Streamlining

Reuters

SEOUL — South Korea's powerful conglomerates, responding to government guidelines, have started streamlining their sprawling businesses but analysts query whether these chaebol are really giving up their economic power.

The second-biggest chaebol, Hyundai Corp., said on Saturday it would spin off four units and merge subsidiaries as a first step to separating management from ownership.

"We decided this in response to government guidelines to specialize in a few business lines and to cooperate with the government's efforts to stimulate the sagging economy," a Hyundai spokesman said.

A downsizing of Hyundai and other giant business groups has been expected since President Kim Young Sam, who took power in February, pledged to support small and medium-sized business.

The sprawling chaebol, family owned and managed — which make everything from soap to microchips — are widely credited for leading South Korea's rapid leap from post-war poverty to a modern industrial nation.

But the industrial giants are now widely criticized for unfocused expansion into too diverse a range of interests.

The government has said it would tighten its grip on the conglomerates through further restrictions on cross-payment guarantees, mutual investments and excessive shareholdings.

"More chaebol are expected to follow suit. But it will be a numbers game rather than a quality game," said Lee Keunmo of Baring Securities.

The Samsung group last week divested Shinsegae Department Store and Hansol Paper Manufacturing.

Kim Woo Choong, chairman of Daewoo Corp., says he plans to spin off one company this year and to give more companies total rights over management and capital.

Daewoo said last week it had liquidated its helicopter-making division, Daewoo Sikorsky Aerospace Ltd., leaving 21 subsidiaries.

Lucky-Goldstar International Corp., Sunkyong Industries Ltd. and other major chaebol are known to be studying a streamlining of their groupings by cutting unrelated lines, analysts said.

Hyundai said it would spin off its department-store and hotel-management company Keumkang Development; Hyundai Marine & Fire Insurance; Korea Trade Center Shopping and Hyundai Aluminum Industries units.

It also plans to merge four units into three

other subsidiaries, leaving Hyundai with 37 units from 45 at present.

"We will unleash the subsidiaries as soon as possible," a spokesman said. "But details on how and when have not been completed."

Analysts said Hyundai's decision was not prompted by political altruism but because of the strained relationship between its founder, Chung Ju Yung and President Kim. "It looks a political gesture, extending an olive branch to the government," said an analyst who asked not to be identified.

Since Mr. Chung entered politics last year, the Hyundai group has been the target of a series of government investigations in search of evidence it channeled funds to Mr. Chung's political party.

Mr. Chung, a distant third in last December's poll that brought Mr. Kim to power, and some Hyundai executives stand accused of embezzling millions of dollars to finance Mr. Chung's presidential campaign.

The companies being divested "are not actually in Hyundai's mainstream and it was widely believed they would eventually part from the group," said Lee Sang Jin, market strategist at Schroder Securities.

Analysts said the streamlining was a first step toward passing Mr. Chung's property to his children.

Nikon Tumbles To Its First Loss

Compiled by Our Staff From Dispatches

TOKYO — Nikon Corp., the Japanese camera maker, on Monday reported its first annual pretax loss ever, citing depressed sales of its semiconductor-making machines in the year to March 31.

Nikon said the pretax loss at its parent company totaled 2.32 billion yen (\$21 million). In the previous year, Nikon had reported a pretax profit of 7.2 billion yen.

Nikon's revenue dropped 12.8 percent to 204.9 billion yen, mostly because of a 33 percent plunge in sales of its "steppers," or chip-making equipment. In 1991-92, Nikon's key customers in this area — computer giants such as NEC Corp. and Fujitsu Ltd. — believed global demand for dynamic random-access memory chips was falling, so they reduced their purchases of steppers.

But Japan's chipmakers spoke too soon when they predicted a dropoff in semiconductor sales, analysts said, and Nikon's results are likely to bounce back into the black this year thanks to a surge in demand for its steppers.

"Last year most of the Japanese semiconductor manufacturers didn't believe that demand was increasing," said Phua Lee Kerk, a senior analyst at Baring Securities. "But it is. Since October, semiconductor equipment manufacturers have resumed their capital investments again."

In March, orders for computer chips at Japanese companies rose 21 percent from the previous year, after rising 61 percent in February and 49 percent in January, according to Hiroshi Yoshihara, an analyst at Salomon Brothers Asia.

Demand from U.S. and South Korean chipmakers is also picking up, Mr. Yoshihara said. He estimates that Nikon will sell 240 chip-making machines this year, up from 193 last year.

Nikon is betting on a strong rebound this year. It forecast a pretax profit of 500 million yen on a 5 percent rise in sales.

Nikon's sales of microscopes fell 13 percent and sales of surveying instruments fell 15 percent last year. Revenues from the company's main business of cameras and optical products were flat.

"I think these areas will remain flat this year," Mr. Phua said.

The biggest decline came in Nikon's back yard. While export sales edged down just 0.7 percent, domestic sales slumped 21.1 percent.

Nikon had forecast a 9.5 billion yen loss, but it kept the actual loss well short of that by reducing labor costs. Under a plan announced last

year, Nikon is cutting 6 percent of its work force by 1996.

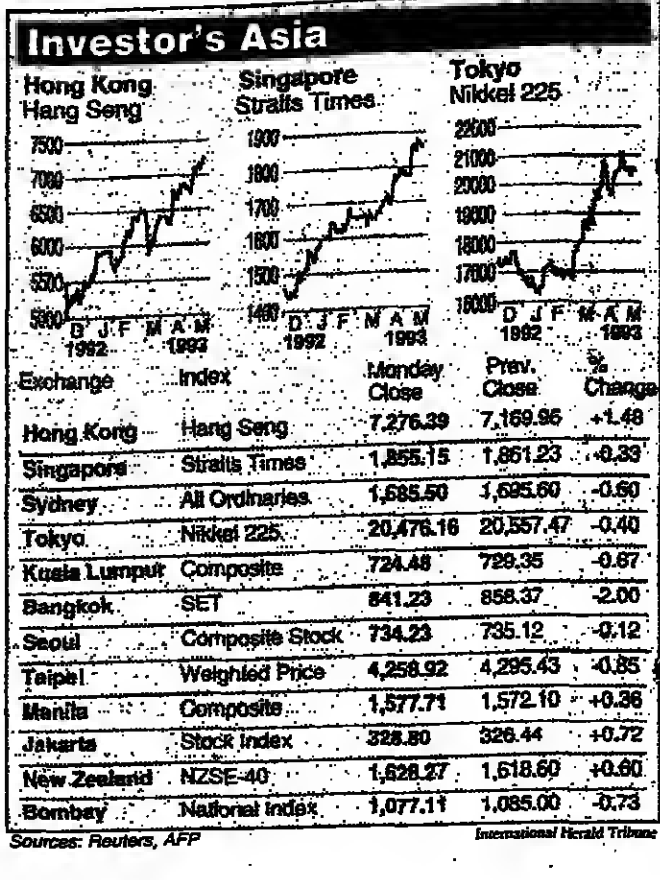
Nikon posted a 200 million yen aftertax profit. That came despite a 5.7 billion yen payment to settle a patent-infringement case brought by the U.S. company Honeywell Inc. Honeywell had charged that Nikon and other camera makers violated its patent for single-lens reflex cameras.

Two Japanese makers of audio equipment, TEAC Corp. and Kenwood Corp., reported slumping results on Monday, as well.

TEAC, which also makes computer peripherals and videocassette recorders, said pretax profit had fallen 18.6 percent to 1.18 billion yen for the year to March 31, while Kenwood's pretax profit dropped by one-third to 4.03 billion yen.

Kenwood had a net loss of 5.45 billion yen, due to 9.5 billion yen in extraordinary losses.

(Bloomberg, A.F.X. Reuters)



Beijing Disputes IMF's Economy Ranking

Compiled by Our Staff From Dispatches

BEIJING — China disputed Monday its new International Monetary Fund ranking as the world's third-biggest economy, saying long-term development efforts were still needed.

"The IMF report has overestimated the economic output of China," a Foreign Ministry spokesman said. "China is a developing country and has a population of more than 1.1 billion people."

The country still needed "long-term efforts" to catch up to countries at a medium level of development, the spokesman said.

The IMF unveiled a new system of comparing economies last week based on the gross domestic product of each country measured in purchasing-power terms. The system measures the output of goods and services and eliminates exchange-rate factors by no longer calculating output according to official rates.

China rose from 10th place to

third place under the new system, behind the United States and Japan. Its 1992 GDP increased from \$430 billion to \$1.66 trillion and per-capita income soared from \$370 to \$1,450.

The numbers game is important — if the new ranking becomes generally accepted, China may lose out on some of the concessional loans, special grants and other help it has relied on to build up a booming export industry that helped push economic growth up 12.8 percent last year.

Under the new system, China's economy is now four times larger than previously calculated.

The political implications of the new data are that the world's traditional economic leaders are going to have to look at countries like China in a new way.

That change has already started. In the United States, for example, officials are very concerned about the size of the trade deficit being run up with China.

(Reuters, AFP)

Singaporean Is Fined For Pirating Software

REUTERS

SINGAPORE — A local businessman has been fined for pirating computer software for sale, in the first intellectual-property trial in Singapore since the passage of a law in 1987, lawyers said Monday.

A district court over the weekend fined Chew Alleng, a director of Alsoft Computers Manufacturing, 9,200 Singapore dollars (\$5,700) for possessing 46 illegally copied software manuals and diskettes for sale.

China Bank Tellers Not for Export

Bloomberg Business News

HONG KONG — Hongkong & Shanghai Banking Corp. said Monday that it had been able to recruit fewer than half the workers it had permission to bring from southern China to work as tellers in its Hong Kong branches.

Difficulty in finding workers with the right qualifications means that the bank hopes to bring in only around 150, against the 350 it was allowed by the Hong Kong government, a Hongkong Bank spokesman said.

The reluctance of mainland banking institutions in assisting their staff to get exit visas is another of the problems the bank has faced, he said.

The bank had hoped to partially resolve its problems with the territory's labor shortage by bringing workers in from China. The bank has been critically short of tellers for the last few years, with more than 10 percent of its positions vacant at any one time.

Standard Chartered Bank, which was also allowed to import 50 tellers from southern China, has found suitable candidates for 40 of those positions so far, the bank said.

Hong Kong's unemployment rate is currently 2.4 percent and the tight labor market is cited by the government as a major reason for the territory's high inflation rate, forecast to hit 9.5 percent this year.

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Bike Exports Cushion Fall in Suzuki Profit

Bloomberg Business News

TOKYO — Suzuki Motor Corp. said Monday strong domestic sales of recreational vehicles and a rise in motorcycle exports had helped offset profit declines associated with a stronger yen in the year ended March 31.

Suzuki, Japan's leading maker of minivehicles and the world's third-largest motorcycle maker, said pretax profit fell 3.2 percent to 20.48 billion yen (\$185 million) in the financial year. Sales edged up 0.6 percent to 1,053 trillion yen.

But the company's operating profit rose 34 percent to 22.9 billion yen. Suzuki, which sells twice as many motorcycles overseas than in Japan, said the increase reflected a 38 percent jump in motorcycle exports, to 419,373 units.

An 18.5 percent rise in domestic sales of small cars, including the Escudo vehicle, to 57,028, also boosted profit, a company official said. Overall, Suzuki sold 810,142 cars, down 4.2 percent from the previous year.

Very briefly:

- Hong Kong shares surged by 1.5 percent to another record high on the local stock market after the announcement of a fourth round of talks between Britain and China in Beijing, to be held Friday, raised hopes that a resolution was close in the current Chinese-British feud.
 - Coles Myer Ltd., Australia's largest retailer, said it would launch a new toy-store chain, opening five stores in Sydney and two in Melbourne.
 - Taiwan will ask Dassault Aviation SA to set up a plant in Taipei to produce components for the Mirage 2000-5s the country has ordered from the French company, according to local press reports.
 - Lippo Ltd., the Hong Kong investment group, said it had agreed to sell 36 million new shares, or 2.79 percent of its enlarged share capital, to Chinese-controlled China Travel Services Group. China Travel has agreed to subscribe to the new shares at 2.85 Hong Kong dollars each, raising a total of 102.6 million dollars (\$13.3 million).
 - Vietnam is set to shut down 2,000 public companies as part of a drive to force state-owned enterprises to run economically, according to an announcement by Le Xuan Trian, a cabinet minister. The action is part of a program to trim the number of state-owned concerns from a current total between 10,000 and 12,000 to between 6,000 and 7,000.
 - Golden Power International Holdings Ltd., a Hong Kong maker of electronics equipment, said that its initial public offering of shares had been oversubscribed over 208 times. The issue of 45 million shares raised 49.05 million Hong Kong dollars.
- (Bloomberg, AFP, AFX)

Japanese Credit Firm Fails

Knight-Ridder

TOKYO — Kamaishi Shinkin Bank, a credit cooperative in northeastern Japan, will be liquidated and absorbed by a group of banks on Oct. 1, the Ministry of Finance announced Monday.

Kamaishi Shinkin's assets will be absorbed by six banks including Iwate Bank, a regional bank, said a senior ministry official. Kamaishi Shinkin has 12 branches and listed assets of 36.5 billion yen (\$330 million) at the end of March.

WADDEN: Expiration of Drilling Moratorium Troubles a Dutch Sea

(Continued from first finance page)

Noos Andriessen has been quoted by the Dutch press as saying that he wants the ban lifted. But a ministry spokeswoman refused to confirm this. "It's a very, very difficult decision," said the spokeswoman, Marjolain Bredt. "There are huge interests at stake on both sides of the argument."

The Wadden Sea is used as a feeding and resting area by 80 percent of some migratory bird species. It is a nursery for many fish that are later caught in the North Sea and home to countless rare plants. Regulations are so strict in the area that in the breeding season boats can be fined for playing their radios too loud.

But, said Jean Mathey, president

of the oil and gas producers' association, "We are convinced we have the technology to produce gas safely in the Wadden Sea with no appreciable risk for the environment. And that gas will be needed."

This argument enrages environmentalists. "The area is priceless," said Paul de Cock of the Wadden Sea conservation association. "As usual here, it's a question of money. The oil companies and some politicians are doing reports that haven't even been written, and saying the evidence supports their claims. It's scandalous."

His group insists more data must be collected before the ban is raised and is preparing legal action to preserve the area. The oil companies point to the record of the two rigs on the Wadden Sea.

Elf Petroleum, the Dutch subsidiary of the French oil giant Elf Aquitaine, says its Zuidwal platform has extracted millions of cubic meters of gas a day since 1988 without a single harmful incident.

"We've proven conclusively it's possible to produce cleanly," said a company spokeswoman, Marianne de Rée. Elf dedicated about 15 percent of its total 500 million gulder investment to environmental protection and made Zuidwal a showcase for oil-industry technology. Completely enclosed, everything it extracts is pumped ashore. Even rainwater is carried away.

The oil companies argue that the Dutch will soon badly need the gas they can produce from the Wadden Sea.

This argument is dismissed by

the environmentalists. "If that's the case, why have they signed so many export contracts?" said Mr. De Cock. Nearly half Dutch gas output is exported.

Environmentalists' main fear goes beyond the occasional leakage or once-in-a-lifetime calamities like explosions. In the low-lying Netherlands, they worry about the long-term effects of drilling.

Parts of Groningen have already subsided by nearly one foot (30 centimeters) in more than two decades of pumping gas from underground. Some Groningen bridges and dikes have been raised and substantial claims for damages filed against NAM.

No one agrees on how far the bed of the Wadden Sea stands to sink if gas is extracted. But even a few centimeters would be catastrophic for wildlife, said Mr. De Cock.

The oil companies holding the drilling concessions appear to have the early legal advantage. "Our concessions not only give us the right to drill for gas, but legally oblige us to," said Mr. Mathey. "We're entitled to damages if we can't."

But even if the cabinet does lift the ban, the environmentalists' promised rearguard campaign through the courts could delay production for some time yet.

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(Continued From Page 23)

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Handwritten note: "Special 20"

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Div	Yld	PE	100	High	Low	Close
125	100	0.10	4.0	15	100	125	100	110
130	105	0.15	4.5	16	105	130	105	115
135	110	0.20	5.0	17	110	135	110	120
140	115	0.25	5.5	18	115	140	115	125
145	120	0.30	6.0	19	120	145	120	130
150	125	0.35	6.5	20	125	150	125	135
155	130	0.40	7.0	21	130	155	130	140
160	135	0.45	7.5	22	135	160	135	145
165	140	0.50	8.0	23	140	165	140	150
170	145	0.55	8.5	24	145	170	145	155
175	150	0.60	9.0	25	150	175	150	160
180	155	0.65	9.5	26	155	180	155	165
185	160	0.70	10.0	27	160	185	160	170
190	165	0.75	10.5	28	165	190	165	175
195	170	0.80	11.0	29	170	195	170	180
200	175	0.85	11.5	30	175	200	175	185
205	180	0.90	12.0	31	180	205	180	190
210	185	0.95	12.5	32	185	210	185	195
215	190	1.00	13.0	33	190	215	190	200
220	195	1.05	13.5	34	195	220	195	205
225	200	1.10	14.0	35	200	225	200	210
230	205	1.15	14.5	36	205	230	205	215
235	210	1.20	15.0	37	210	235	210	220
240	215	1.25	15.5	38	215	240	215	225
245	220	1.30	16.0	39	220	245	220	230
250	225	1.35	16.5	40	225	250	225	235
255	230	1.40	17.0	41	230	255	230	240
260	235	1.45	17.5	42	235	260	235	245
265	240	1.50	18.0	43	240	265	240	250
270	245	1.55	18.5	44	245	270	245	255
275	250	1.60	19.0	45	250	275	250	260
280	255	1.65	19.5	46	255	280	255	265
285	260	1.70	20.0	47	260	285	260	270
290	265	1.75	20.5	48	265	290	265	275
295	270	1.80	21.0	49	270	295	270	280
300	275	1.85	21.5	50	275	300	275	285
305	280	1.90	22.0	51	280	305	280	290
310	285	1.95	22.5	52	285	310	285	295
315	290	2.00	23.0	53	290	315	290	300
320	295	2.05	23.5	54	295	320	295	305
325	300	2.10	24.0	55	300	325	300	310
330	305	2.15	24.5	56	305	330	305	315
335	310	2.20	25.0	57	310	335	310	320
340	315	2.25	25.5	58	315	340	315	325
345	320	2.30	26.0	59	320	345	320	330
350	325	2.35	26.5	60	325	350	325	335
355	330	2.40	27.0	61	330	355	330	340
360	335	2.45	27.5	62	335	360	335	345
365	340	2.50	28.0	63	340	365	340	350
370	345	2.55	28.5	64	345	370	345	355
375	350	2.60	29.0	65	350	375	350	360
380	355	2.65	29.5	66	355	380	355	365
385	360	2.70	30.0	67	360	385	360	370
390	365	2.75	30.5	68	365	390	365	375
395	370	2.80	31.0	69	370	395	370	380
400	375	2.85	31.5	70	375	400	375	385
405	380	2.90	32.0	71	380	405	380	390
410	385	2.95	32.5	72	385	410	385	395
415	390	3.00	33.0	73	390	415	390	400
420	395	3.05	33.5	74	395	420	395	405
425	400	3.10	34.0	75	400	425	400	410
430	405	3.15	34.5	76	405	430	405	415
435	410	3.20	35.0	77	410	435	410	420
440	415	3.25	35.5	78	415	440	415	425
445	420	3.30	36.0	79	420	445	420	430
450	425	3.35	36.5	80	425	450	425	435
455	430	3.40	37.0	81	430	455	430	440
460	435	3.45	37.5	82	435	460	435	445
465	440	3.50	38.0	83	440	465	440	450
470	445	3.55	38.5	84	445	470	445	455
475	450	3.60	39.0	85	450	475	450	460
480	455	3.65	39.5	86	455	480	455	465
485	460	3.70	40.0	87	460	485	460	470
490	465	3.75	40.5	88	465	490	465	475
495	470	3.80	41.0	89	470	495	470	480
500	475	3.85	41.5	90	475	500	475	485
505	480	3.90	42.0	91	480	505	480	490
510	485	3.95	42.5	92	485	510	485	495
515	490	4.00	43.0	93	490	515	490	500
520	495	4.05	43.5	94	495	520	495	505
525	500	4.10	44.0	95	500	525	500	510
530	505	4.15	44.5	96	505	530	505	515
535	510	4.20	45.0	97	510	535	510	520
540	515	4.25	45.5	98	515	540	515	525
545	520	4.30	46.0	99	520	545	520	530
550	525	4.35	46.5	100	525	550	525	535

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150	125	0.35	6.5	20	125	150	125	135
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160	135	0.45	7.5	22	135	160	135	145
165	140	0.50	8.0	23	140	165	140	150
170	145	0.55	8.5	24	145	170	145	155
175	150	0.60	9.0	25	150	175	150	160
180	155	0.65	9.5	26	155	180	155	165
185	160	0.70	10.0	27	160	185	160	170
190	165	0.75	10.5	28	165	190	165	175
195	170	0.80	11.0	29	170	195	170	180
200	175	0.85	11.5	30	175	200	175	185
205	180	0.90	12.0	31	180	205	180	190
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215	190	1.00	13.0	33	190	215	190	200
220	195	1.05	13.5	34	195	220	195	205
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245	220	1.30	16.0	39	220	245	220	230
250	225	1.35	16.5	40	225	250	225	235
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260	235	1.45	17.5	42	235	260	235	245
265	240	1.50	18.0	43	240	265	240	250
270	245	1.55	18.5	44	245	270	245	255
275	250	1.60	19.0	45	250	275	250	260
280	255	1.65	19.5	46	255	280	255	265
285	260	1.70	20.0	47	260	285	260	270
290	265	1.75	20.5	48	265	290	265	275
295	270	1.80	21.0	49	270	295	270	280
300	275	1.85	21.5	50	275	300	275	285
305	280	1.90	22.0	51	280	305	280	290
310	285	1.95	22.5	52	285	310	285	295
315	290	2.00	23.0	53	290	315	290	300
320	295	2.05	23.5	54	295	320	295	305
325	300	2.10	24.0	55	300	325	300	310
330	305	2.15	24.5	56	305	330	305	315
335	310	2.20	25.0	57	310	335	310	320
340	315	2.25	25.5	58	315	340	315	325
345	320	2.30	26.0	59	320	345	320	330
350	325	2.35	26.5	60	325	350	325	335
355	330	2.40	27.0	61	330	355	330	340
360	335	2.45	27.5	62	335	360	335	345
365	340	2.50	28.0	63	340	365	340	350
370	345	2.55	28.5	64	345	370	345	355
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380	355	2.65	29.5	66	355	380	355	365
385	360	2.70	30.0	67	360	385	360	370
390	365	2.75	30.5	68	365	390	365	375
395	370	2.80	31.0	69	370	395	370	380
400	375	2.85	31.5	70	375	400	375	385
405	380	2.90	32.0	71	380	405	380	390
410	385	2.95	32.5	72	385	410	385	395
415	390	3.00	33.0	73	390	415	390	400
420	395	3.05	33.5	74	395	420	395	405
425	400	3.10	34.0	75	400	425	400	410
430	405	3.15	34.5	76	405	430	405	415
435	410	3.20	35.0	77	410	435	410	420
440	415	3.25	35.5	78	415	440	415	425
445	420	3.30	36.0	79	420	445	420	430
450	425	3.35	36.5	80	425	450	425	435
455	430	3.40	37.0	8				

SPORTS BASEBALL

Red-Hot Giants Walk Over Reds

The Associated Press

The San Francisco Giants, who have been setting a hot pace in the National League West, stroled to their 30th victory this season.

Pinch-hitter Todd Benzenberger walked with the bases loaded against reliever Greg Cadaret in the bottom of the ninth inning Sunday to beat the Cincinnati Reds, 3-2.

The Giants have won 11 of their last 13 games, while the Reds have lost six of their last seven.

Barry Bonds and Matt Williams

Astros 9, Padres 7: Craig Biggio had two homers among his four hits and drove in three runs as Houston won in San Diego to end a five-game losing streak.

Jeff Bagwell added three hits and two RBIs, raising his average to .379, as the Astros produced a season-high 16 hits.

Dodgers 4, Rockies 0: Ramon Martinez pitched a three-hitter for his first shutout in almost a year, and Los Angeles beat visiting Colorado for its sixth straight victory. Eric Karros broke out of a 2-for-26 drought with a tie-breaking RBI single to help the Dodgers sweep the three-game series.

NL ROUNDUP

each hit home runs for the Giants.

Robby Thompson extended his hitting streak to 16 games with a leadoff single in the ninth off reliever Bill Landrum. He went to second on Will Clark's sacrifice with Cadaret pitching.

Williams was walked intentionally to bring up Bonds, who walked on four pitches to lead the bases with one out, then Benzenberger walked on a 3-1 pitch.

Trailing 2-1 in the eighth, the Reds tied against starter John Burkett. Reggie Sanders led off with a single and went to second on Dan Wilson's sacrifice. After pinch-hitter Cecil Eppley walked, Juan Samuel drove in Sanders with a single off the right-field wall.

Williams led off the seventh with his 14th home run and 40th RBI of the season — both league-leading totals — to break a 1-1 tie.

The Reds' starter, John Smiley, went seven innings and gave up two runs on the homers.

"But besides that, I only gave up two other hits to a team that's hitting the cover off the ball," Smiley said.

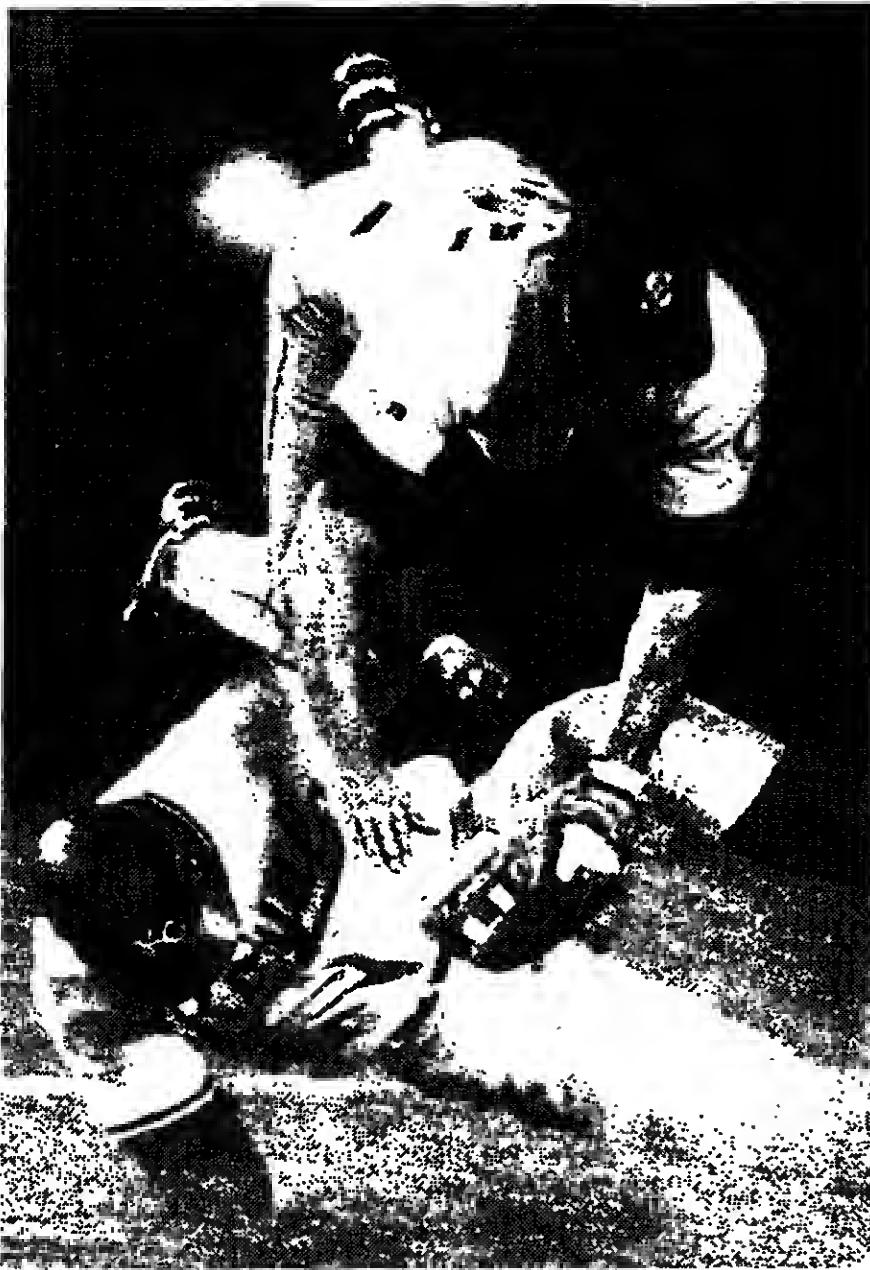
The Dodgers' sixth straight triumph matched their longest winning streak of last season. They have won 13 of their last 16 at home and eight in a row there, their longest streak since 1986.

In earlier games, reports on which appeared in some Monday editions of the International Herald Tribune:

Cardinals 4, Pirates 3: Lee Smith blew a ninth-inning lead for the second time in three days, but St. Louis rallied twice in the final two innings to win in Pittsburgh on Rod Brewer's sacrifice fly in the 10th. The Pirates' rookie Kevin Young had hit a tying homer in the ninth.

Marlins 4, Cubs 2: Jack Armstrong pitched seven strong innings and drove in two runs with a two-out, bases-loaded single as Florida beat visiting Chicago. Armstrong led off with a single and scored in the Marlins' two-run seventh.

Phillies 14, Expos 7: Darren Daulton drove in four runs to help Philadelphia stop visiting Montreal for a split in the four-game series.



George Brett broke up a double play, and Rich Amaral, but the Royals fell to the Mariners.

Hitting All 4s, Leafs Are 2-2

The Associated Press

The Toronto Maple Leafs seem to own Game 4 in the National Hockey League playoffs.

They lost two of the first three games in both the Norris Division's semifinal and final before coming back to win each series, each time taking Game 4.

They beat the Los Angeles Kings, 4-2, on Sunday to even the Campbell Conference final at two games each.

"We play best when we're scared," said the Maple Leafs' coach, Pat Burns.

Rookie Mike Eastwood had a goal and an assist as four Leafs scored.

They reduced the penalties that had plagued them and won with little help from their big

guns of Doug Gilmour and Dave Andreychuk.

Wayne Gretzky moved within a goal of another NHL record when he tied Gordie Howe with his 86th goal in regular-season and playoff games. But the Leafs shut down the Kings' freewheeling offense and silenced the sellout crowd with three first-period goals in a game that lacked the intensity of the previous three.

Los Angeles rallied briefly in the final period on Rob Blake's power-play goal with nine minutes to go, but Toronto goaltender Felix Potvin made several key saves in the last minutes.

Toronto's Bob Rouse scored on a rebound 2:30 into the game on assists by Gilmour and Jamie Macoun. Four minutes later, Eastwood scored his first NHL playoff goal.

Gretzky, the NHL's career scoring leader, cut the Kings' deficit to 2-1 with the unassisted power-play goal midway through the first.

He is the NHL's leading playoff scorer with 104 goals, four more than teammate Jari Kurri. Gretzky extended his scoring streak to 12 games, best in the playoffs and a club record. Gilmour leads Gretzky in this season's playoff scoring, 29 points to 28.

The Leafs made it 4-1, essentially ending the game, with a goal 2:34 into the second, when the Kings' Tomas Sandstrom inadvertently cleared the puck out to the stick of Rob Pearson, who buried it into a nearby empty net.

STANLEY CUP

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SIDELINES

Bans on Krabbe, Ngugi Continued

STUTTGART (AP) — The suspensions on German sprinter Katrin Krabbe and Kenyan runner John Ngugi were continued Monday by the IAAF, effectively preventing them from competing at the world outdoor athletics championships Aug. 14-22 in Stuttgart.

The sport's governing body made no decision on U.S. sprinter Butch Reynolds, the 400-meter world record holder who is involved in a legal battle with the IAAF over a previous doping ban.

Ngugi's four-year ban for refusing to submit to a drug test had been revoked by the Kenyan federation. The IAAF council decided to send the case back to the Kenyan federation, asking the national body to reimpose the four-year ban, said Istvan Gyulai, the IAAF general secretary.

The council also asked its legal experts to further study the case of Krabbe and two other German sprinters, Grit Brener and Mammela Derr. "The doping commission was convinced that there was a doping violation," Gyulai said.

Reds Fire Perez, Hire Davey Johnson

CINCINNATI (AP) — Tony Perez was fired Monday by the Cincinnati Reds, 44 games into his first season as a manager, and replaced by Davey Johnson, whom the New York Mets fired as their manager in 1990.

The Reds, with a 20-24 record, also fired third base coach Dave Bristol and pitching coach Larry Rothchild. An hour later, first base coach Ron Oester, a friend of Perez's, resigned.

The Reds said that Perez, one of the most popular members of the Big Red Machine in the 1970s, won't have another position with the club. Johnson, 50, was interviewed for the job of managing the Reds last fall and was hired as a consultant for the team in December.

Simpson Replaces Dineen for Flyers

PHILADELPHIA (AP) — The Philadelphia Flyers named Terry Simpson Monday as their head coach to replace Bill Dineen, who will remain with the NHL club as a scout.

Simpson, 49, was an assistant with the Winnipeg Jets the past three seasons and is a former head coach of the New York Islanders. Dineen had been the Flyers' coach since December 1991.

500 Race Loses Indy Car Champion

INDIANAPOLIS — For the first time in the history of the Indianapolis 500, the defending Indy car champion failed to qualify for the race.

Robby Ralston, the three-time series champion and 1992 driver of the year, was bumped from the 500 field Sunday by Eddie Cheever. Cheever and Didier Theys drove their way into the field of 33 drivers who will start the race next Sunday.

For the Record

Grant Waite, a second-year pro from New Zealand, shot 1-under-par 70 in the final round of the Kemper Open to beat veteran Tom Kite by one stroke for his first victory on the U.S. PGA Tour. (AP)

Bell Saves Chisox From Sweep

The Associated Press

George Bell was too much for the Oakland Athletics.

Having hit a two-run homer to put the Chicago White Sox back in the game, he added a decisive triple in the 10th inning as the White Sox averted a weekend sweep with a 5-4 victory Sunday.

Bell's game-winning hit off reliever Rich Gossage was a line drive to the right-field corner with one out. It scored Joey Coxa, who had walked to start the inning, from first base.

"It was a fine piece of hitting on his part," Gossage said. "He fought off a couple of really good pitches and then I tried to go away, and he hit it."

The White Sox trailed 4-1, when Bell homered in the eighth. Then Ozzie Guillen's sacrifice fly tied the game in the ninth.

Bell's eighth homer came with two outs, scoring Tim Lincecum, who doubled to start the eighth.

In the ninth, Lance Johnson drew a one-out walk and took third on Ron Karkovics' single to set the stage for Guillen.

Dave Henderson spoiled Wilson Alvarez's no-hit bid with a homer. Then Henderson — whose sixth-inning homer was his third in as many days — got the third hit of the game off Alvarez in the eighth.

Terry Steinbach's fourth homer made it 4-1.

Alvarez gave up four hits and four runs, while walking six and striking out a career-high eight in eight innings.

Earlier in the day, the White Sox ended their experiment with Dave Stieb, requesting waivers on the veteran pitcher to give him his unconditional release.

Stieb, 35, signed to a one-year \$300,000 free-agent contract during the off-season after an injury-plagued last couple years with Toronto. He began the season on the disabled list before rehabilitation in the minors. He was activated April 23 and struggled to a 1-3 record with a 6.04 ERA in four starts.

Mariners 10, Royals 7: Lou Piniella won his 500th game as a major league manager as Rich Amaral singled home the lead run in the ninth and Ken Griffey Jr. tripled in two more as the Mariners won the topsy-turvy game.

"Thank God I got my 500th before I got my 500th loss," Piniella said. "It's a relatively small milestone."

Angels 6, Rangers 2: Rookie Tim Salmon drove in four runs and Ju-

SCOREBOARD

Major League Standings			
AMERICAN LEAGUE			
East Division			
Team	W	L	Pct.
Detroit	27	15	.643
New York	24	19	.558
Toronto	23	20	.536
Boston	23	20	.536
Milwaukee	18	22	.450
Baltimore	17	22	.435
Cleveland	17	22	.435
West Division			
Team	W	L	Pct.
Chicago	24	17	.586
California	22	18	.552
Texas	23	19	.546
Kansas City	20	21	.485
Seattle	17	22	.435
Oakland	17	22	.435
Minnesota	14	23	.379
NATIONAL LEAGUE			
East Division			
Team	W	L	Pct.
Philadelphia	29	13	.688
Montreal	24	19	.558
St. Louis	22	20	.524
Chicago	21	20	.512
Pittsburgh	20	21	.485
Florida	19	24	.442
New York	14	27	.341
West Division			
Team	W	L	Pct.
San Francisco	30	15	.667
Atlanta	28	19	.595
Los Angeles	26	22	.542
Houston	20	24	.452
Cincinnati	19	24	.442
Columbus	18	24	.429
Colorado	12	32	.273

DENNIS THE MENACE



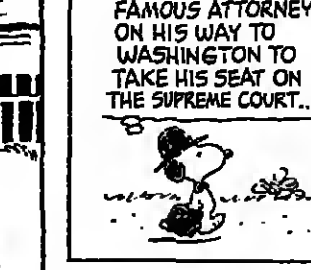
JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four jumbles, then letter the unscrambled words in their correct order.

DEROO
VORAF
HYRIT
LIBED

ANSWER: HER

PEANUTS



CALVIN AND HOBBES



BLONDIE



WIZARD OF ID



BEETLE BAILEY



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the Draft

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SPORTS FRENCH

Starks, Grounding Air Jordan, Shoots Knicks to Victory

By Clifton Brown
New York Times Staff Writer
NEW YORK — Guarding Michael Jordan during a playoff game intimidates some players in the National Basketball Association. It inspired John Starks.

With his defense giving Jordan fits and his 3-point shooting turning back the Chicago Bulls in the fourth quarter, Starks led the New York Knicks to a 98-90 victory in Game 1 of the Eastern Conference championship series Sunday.

Like Magic: Another No. 1 In the Draft

NEW YORK — The Orlando Magic, with the most amazing display of luck in the history of the National Basketball Association draft lottery, pulled off a 1-in-66 chance Sunday to draw the No. 1 pick in the June 30 draft.

If some major salary problems can be worked out, the Magic will probably take Michigan's Chris Webber and could quickly become one of the league's best teams.

With last year's first pick, the Magic took Shaquille O'Neal. But if Orlando's good luck continued, so, too, did the Washington Bulls' streak of bad luck.

Asked what had inspired his team, Ewing said: "It's do-or-die. I guess we're afraid of losing."

Wilkens Quits Cavaliers
Lenny Wilkens, the second-winningest coach in NBA history, quit the Cleveland Cavaliers on Monday in the wake of another playoff failure against the Bulls.

After the first three picks are determined by the draw, the sequence for the next eight teams is determined by inverse order of their season records.

The seventh through 11th picks went to Sacramento, Milwaukee, Denver, Miami and Detroit.

period, when he usually dominates. Starks got 25 points, setting a team playoff record by making five 3-point shots. Three came during a five-minute fourth-quarter barrage that helped the Knicks build an 88-79 lead with four minutes to play.

"I don't even remember when Starks was in the CBA, and I don't remember when he first came into the league," said Jordan, referring to the minor league Continental Basketball Association. "But I know he's here now."

Starks had help. Patrick Ewing grabbed a playoff-high 17 rebounds to go with his 25 points. Charles Smith (17 points) was aggressive, giving New York another low-post option. Charles Oakley (14 rebounds) was a inside force, as the Knicks whipped the Bulls, 48-28, in rebounding.

"A lot of players say they're going to try and stop Michael Jordan, but there's no stopping him," Starks said. "I just tried to make him take tough shots."

Starks dislocated the last finger on his left, or non-shooting hand, in the fourth quarter. He left briefly to have a splint put on, but said after the game that he didn't expect the injury to hamper him.

Starks by Starks, New York started the fourth quarter with an 11-4 run, turning a 72-69 lead into an 83-73 edge with 7 1/2 minutes left. Starks' first 3-pointer of the quarter made it a 9-point lead, then Ewing, with a pick, freed Starks for another 3-pointer and it was 83-73. Starks' final 3-pointer gave New York an 88-79 lead with 4:20 to go.

The game's most controversial play came with 6:42 left in the third quarter, when Scottie Pippen (24 points) fouled Doc Rivers from behind as he went up for a lay-up.

Pippen got a piece of the ball, but he also sent Rivers flying out of bounds, where he hit his head on the floor when he landed.

At Pippen walked back to the Bulls' bench, the normally placid Smith pumped him in the chest. Pippen took exception and charged after Smith before being restrained by several teammates.

With less than a minute left, B.J. Armstrong's jumper in the lane made it 85-90. Mason missed two free throws. But Jordan's 25-foot 3-point shot, Reggie Miller's layup missed with 39 seconds left, and the Knicks were home free.

A former All-Star guard, Wilkens coached Seattle to the NBA championship in 1979.

Top Seeds Begin the Dance in Paris With Waltzes



Steffi Graf was surrounded by three security guards as she came onto the court for her first match at Roland Garros.

Results From the First Round of the French Open

MEN'S SINGLES
David Prinosil, Germany, def. Todd Martin, United States, 7-6 (7-5), 6-3, 7-6 (7-6); Alex O'Brien, United States, def. Alexander Volkov, Russia, 6-2, 6-2, 6-2; Andrei Cherkasov, Czechoslovakia, def. Jeremy Bates, Britain, 6-2, 6-2, 6-2; Thomas Muster (12), Austria, def. Mark Stauder, 6-4, 6-3, 6-4, 6-2; Todd Woodbridge, Australia, def. Mark Krumpholtz, Netherlands, 6-4, 6-2; Andrei Chesnokov, Russia, def. Jacco Eltingh, Netherlands, 6-4, 7-6 (6-1); Richard Krajcik (12), Netherlands, def. Christian Panabiere, Sweden, 7-6, 6-2, 7-5; Karol Kovacsik, Germany, def. Mikael Johansson, Sweden, 6-4, 6-2, 6-2; Stefan Edberg (13), Sweden, def. Marco Fagnola, France, 6-2, 6-4, 6-4; Olivier Delaunay, France, def. Gilbert Schaller, Austria, 6-2, 6-4, 6-4, 6-2.

For Soccer's Dream Team, Reality Turned Into a Nightmare

By Ian Thomsen
International Herald Tribune

PARIS — Immaculate, Michael and Larry had departed on the chartered luxury jet out of Barcelona. In their place, stepped Marco, Jean-Pierre and Rudi ... and Gianluigi ... and Franco and Frank ...

Only nine months later are we seeing how life might have scored for the players on soccer's Dream Team, had they been forced to take on all comers for an entire season.

As they travel to Munich for Wednesday night's meeting with Olympique Marseille in the European Cup final, the Milanese Dream Teamers are exhausted, limping and, some would say, overwhelmed by their lost invincibility. Their record of 58 matches without defeat

was coded by Parma in March. It had to end, of course, but the ending was not anticipated.

Czech Fabio Capello, the former Milan winger who has succeeded in dispersing one ball like so many leaves and fishes, has suggested that Milan's exhaustion is less physical than mental.

While the players surprised everyone with their ability to co-exist, to appear invincible if not all were happy, the pressures of competition within the team and without, from opponents whose dream was to bring down the giant — all of this has frazzled the

Milan players' nerves. They were knocked out of the Italian Cup by Roma, and have managed to win just one of their last 10 league matches.

MILAN'S LEAGUE title seems assured, as does Marselle's in France, with each club requiring just one point from its last two domestic matches.

It is to Milan's credit that, recent results regarded, Marselle is still in need of a huge upset.

By Nick Stouhi
International Herald Tribune
PARIS — Jim Courier made the most of a muggy afternoon here Monday with a solid triumph over Roberto Azar, 27, a low-ranked Argentine whose misfortune it was to have been the defending champion for the first round, thus virtually guaranteeing that his appearance in the French Open tennis tournament would be brief.

Playing each other for the first time, the world's No. 2 and No. 94 ranked players camped comfortably at their respective baselines for much of the contest and scouted each other out. Courier called it a "match of patience," and after two hours and 15 minutes the job was done, 6-3, 6-3, 6-3.

"It was a good way to get into this tournament," said Courier, who has now won 15 consecutive matches over three tournaments. "I had to fight. He didn't miss many balls."

Boris Becker could not say the same of his hopelessly nervous opponent. Becker took only 85 minutes to dispose of a 17-year-old Frenchman named Nicolas Escude, 6-0, 6-3, 6-0.

Escude, a wild-card entrant in his first Grand Slam tournament, seemed awed by the Roland Garros experience, which, thanks to his having drawn Becker, took place on Center Court.

Becker, who had barely heard of Escude, said he had asked the French player Cedric Pioline for some information on his opponent.

Becker, seeded fourth, was sympathetic. "It's very difficult for a young Frenchman to play his first Roland Garros against Boris Becker on Center Court," he said. "Anybody with brains would have been nervous."

In a determined effort to capture the only Grand Slam title to elude him, Becker has been a regular fixture on the spring circuit.

"I've played five clay-court tournaments before this," he said. "And each time I played a little better. And after the way I played today, of course, I'm very pleased."

Becker noted that nobody since Rod Laver has taken trophies from each of the Slams. Even Bjorn Borg, he pointed out, never managed to win the U.S. Open.

"Thank God I'm only 25," he said. "I have another few years to give it a try."

Stefan Edberg, the No. 3 seed, who like Becker has won all the Slams except the French, defeated the Marcelo Filippini of Uruguay, 6-3, 6-4, 4-6, 6-4.

"Today was an important match for me," Edberg said when asked to speak realistically about his chances of winning here: "Filippini is a good clay-court player. But what I'm happy about is that I was serving really well."

Edberg's serve-and-volley game is not best suited to clay, but it worked well enough here in 1989 to put him in the final, where he lost to Michael Chang. He wants to win, of course, but he was reluctant to call the French title an obsession.

"That's a strong word to use," Edberg said. "It's something I'd like to win. It would make things more complete. I've come close once. So we'll see what happens."

Steffi Graf, who stands to regain the women's No. 1 ranking here, but who insists she doesn't care, made a routine debut. So did the No. 2 women's seed, Arantxa Sanchez Vicario, who eliminated Monique Kieckhafer, an 18-year-old Dutchwoman in her first Grand Slam, 6-3, 7-6 (7-1).

Graf beat Cecilia Dahlman, 7-6 (7-4), 6-1, frustrating the 26-year-old Swede's third attempt to get past the first round at Roland Garros Stadium. Dahlman showed a little sparkle as she took Graf to a tiebreaker, but it was just a matter of the German's adjusting to the circumstances.

"She played well and I really didn't expect it," Graf said of the woman she beat once before, in 1990. Graf spoke of having been frustrated with her service return and speculated that the practice pace over the last few days may have been too strenuous.

"I'm going to take it a little slower," she said. With her nemesis, Monica Seles, recuperating a continent away, Graf may well walk out of Paris as the top-ranked women's player in the world. But she obviously wants to play that day.

"Over the years I've said that the rankings don't mean much to me," Graf insisted. "And that's the way I feel now. I don't really care what happens."

Just as Graf was entertaining the smattering of Center Court spectators who made it to the 11 A.M. start, a heavyweight billing outside drew a standing-room-only crowd.

The attractions were Thomas Muster and Horst Skoff, two Austrians who sometimes make an effort at Davis Cup teamwork for the sake of their country but, in real life, barely tolerate each other with civility. On Monday, they landed on opposite sides of the tennis court, and it was Muster, seeded No. 16, who prevailed, 6-6, 6-3, 6-4, 6-2. They shook hands at the net, but did not speak.

Did Muster know that people were expecting a confrontation? "I don't see why there should be a clash," he said. "We just haven't spoken to each other in four years."

Today's EDUCATION DIRECTORY

Appears on Page 6

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ART BUCHWALD

Obligatory Advice

WASHINGTON — Every columnist writes his or her salt is obligated to write an open letter to the president...



Buchwald

Dear President Clinton: As far as I can see you're doing well, despite your job ratings. Keep in mind that pollsters talk only to disoriented Americans...

So far, I would give you an A-plus, but there's always room for improvement. When things aren't going well in Washington, I am told that one of your greyhounds is to zip off on a Greyhound bus and take your case to the American people.

This is not the best way to deal with things. When the going gets tough, the tough stay home. Nobody wants to shake hands with a president who is having trouble with Congress and can't get his act together.

It is only when things are going

Marijuana Found In Ancient Tomb

WASHINGTON — A 1,600-year-old personal tragedy has yielded a glimpse of early medicinal uses of marijuana.

Raphael Mechulam of the Hebrew University in Jerusalem and colleagues reported in Nature their findings from an ancient family tomb near Jerusalem. The researchers recovered tiny amounts of 6-tetrahydrocannabinol, a component of cannabis...

I could load you down with a lot more advice, but I think that this is all you can handle right now. There's one more thing I want to warn you about. Be sure to keep your eye on Al Gore. I don't like the way he never says anything. He's acting weird for a vice president, and the public is getting the impression that the longer he stays quiet, the more he knows things that you don't.

Many Lives of a Broadway Star

By Lawrence O'Toole

NEW YORK — As overnight sensations go, Brent Carver is a fairly bland specimen. Playing an imprisoned gay window dresser who keeps his powder dry and spirit unbroken with elaborate movie fantasies in the John Kander-Fred Ebb musical "Kiss of the Spider Woman," Carver has received the kind of reviews only a mother could write.



Brent Carver, a sensation in "Kiss of the Spider Woman."

Most overnight Broadway sensations need to be gagged. But the 41-year-old Canadian has created a mystique about himself as an extraordinarily private person. One British journalist who interviewed Carver when he was in the London production of "Spider Woman" was moved to comment that he "is still adjusting to finding himself on Planet Earth."

His character, Molina, is not exactly of this world, either. To keep from going crazy in a nightmarish Latin American prison, he regales both himself and his cellmate, an apparently heterosexual heavy-duty Marxist named Valentin (played by Anthony Crivello), with fantasies of the silver screen. Always starting in them is an old-time film goddess, Aurora, embodied in song and dance by Chita Rivera.

Though he is making his debut on Broadway, Carver is well known in Canada, where he has worked steadily on the stage and in film and television for 23 years, including stints at the Stratford Festival in Ontario.

He has appeared in roles ranging from Ariel in "The Tempest" to the young American writer in "Cabaret" to his favorite, Rodolfo in "A View From the Bridge." But the American press has generally greeted his recent arrival on Broadway with the amazement reserved for someone found miraculously singing and dancing under a cabbage leaf.

"I don't mind it very much," he says politely. "When you come from a small town, you always feel like a newcomer in each bigger town." The small town in question is Cranbrook, British Columbia, near the Alberta border, where his father drove a logging truck and his mother waited tables.

The third of seven children, the young Carver was a boy soprano

urged to sing whenever a gathering gave him an excuse.

"I seem to have started when I was 2 or 3. I'm not sure whether that comes from another life, perhaps. It may be a kind of destiny encoded in you." He says his family, none of whom is in show business, is happy for him and his parents are coming to New York "for the first time ever," to catch his star turn. Indeed, he has been nominated for a Tony Award as a leading actor in a musical.

Carver has requested that the interview take place at the interviewer's home rather than a noisy restaurant, and he arrives promptly. His slim lanky frame is clad in a pair of old blue jeans, a gray turtleneck and a cardigan that can only be called humor. His face — striking slate-blue eyes under a pre-Raphaelite crown of curls — is an anomaly; boyish yet lived-in.

Carver, who starred in the original rock version of "Hamlet" in Canada in the '70s, says many people scoffed at the idea of adapting Manuel Puig's novel into a musical.

"But I felt there might be something liberating in it. I've always thought humor, music and art can liberate you — or comfort or console you. 'Spider Woman' has been liberating for me to a certain extent. It's double-edged, though, because it's eight times a week. It's quite a heavy load." He thinks for a few moments, then laughs: "I'd do almost anything after this. Yes, I'd be up for anything. A comedy would be quite nice."

Looking tired, he fiddles, much like Molina does, with the buttons of his cardigan. "It's all about the three big C's," he says. "There's confidence, which can always be fleeting, and then there's courage and compassion. On the stage you can find yourself enveloped, but not so much

losing yourself as gaining more of yourself."

To bear Carver describe the process, it seems one of the most intensely private acts imaginable carried out in full view of the public. "You can get lost in love," he says.

"And certainly you can get lost in the need and love for a certain something — call it success — in this business. But if all things are equal, you are allowed to be more of yourself on stage than off it. You allow that. Those emotions you wouldn't, or couldn't, get in touch with in ordinary life are possible on the stage.

"Your life doesn't stop for two hours and 30 minutes while you're playing a character, you know."

In playing Molina, Carver is well aware of the built-in traps — of becoming identified with a particularly memorable character and of being linked in the public imagination with a gay character.

Molina, in fact, was not an easy impersonation. "I found it difficult for the first few months not to see more darkness than light in Molina," he says.

"My energies would shut down because I'd find myself getting drawn very much to the darkness of it all. I really lived within him those first few months. Actually, we lived within each other."

Asked what he would think of Molina if he were to meet him in real life, Carver says he is not sure. "Maybe initially I'd think, 'Oh, gosh, he's just going to keep talking.' But eventually I'd be very attracted to his sense of humor."

The character, he thinks, is essentially shy. "He does say to Valentin, 'I've loved only two people in my life. I think that's truly him.'"

Carver, who admits to being a looser, spends his days off in Central Park, or listening to Leonard Cohen. Southern Ontario, where he has a house, is too far to go on his time off. He is currently negotiating with the show's producers to get some time off this summer to go back to Cranbrook. "I'm like Molina a bit," he confesses. "I'm a homing pigeon — an exotic bird seeking home."

Lawrence O'Toole, who writes for Entertainment Weekly, contributed this to The New York Times.

PEOPLE

Top Cannes Prize Is Split

The Cannes film festival awarded the Golden Palm award Monday jointly to Chen Kaige of China, for his movie "Farewell to My Concubine," and to Jane Campion of New Zealand for "The Piano." It was the first time that a Chinese or a woman had been awarded the top prize in the festival's 46 years.

International, and Maurice Strong, the Canadian secretary-general of last year's Earth Summit, were honored Monday with the 1993 Onassis International Awards. President Constantine Caramanlis of Greece presented the prizes in a ceremony at the Athens Concert Hall. The annual awards, worth \$100,000 each, are bestowed by the Alexander S. Onassis Public Benefit Foundation to honor contributions in scholarship, human rights and the environment. The foundation was established from the will of shipping tycoon Aristotle Onassis, in memory of his son, Alexander, who died in a plane crash at age 23.

Princess Stephanie of Monaco accepted undisclosed libel damages Monday over a British newspaper article that suggested she had demoted a \$100,000 fee to attend a charity gala for the blind in Ireland. Lawyers for the mass-circulation Daily Mirror told the High Court the March 1992 story was unfounded. The newspaper apologized and agreed to pay Stephanie's legal costs as well as the undisclosed damages. Her lawyers said she had never agreed to attend the event nor had she ever asked for a fee for attending a charity event. Stephanie, the youngest of Prince Rainier's three children, was not in court for the hearing.

Barbra Streisand doesn't see anything wrong with Hollywood's close ties to President Bill Clinton. "We have the right as an industry, as people, as professionals, to be taken as seriously as automobile executives," she told the Los Angeles Times. She also resents the Washington media references to people in Hollywood as "nitwits," "bubbleheads" and "airheads." "How come nobody attacked the Republican White House for their involvement with Arnold Schwarzenegger, Charlton Heston and Bruce Willis?" Anyway, she asked, "Did the entertainment industry create the national debt?"

About 50 years ago the comedian Red Skelton, acting on an idea gleaned from talking on the phone with President Franklin D. Roosevelt, raised enough money in two weeks from children in his radio audience to pay for an attack bomber for the Soviet Union. Pavel Skvirsky, then 23, flew the plane in World War II. The other day, Skvirsky met the 80-year-old comedian in a hotel restaurant in Philadelphia. A hugged him and thanked him for the plane. "It was a very good plane," Skvirsky said.

A sexual harassment lawsuit against Tony Curtis and an art gallery by a University of Hawaii law student has been settled out of court. Nahai Markell, 29, accused the actor of touching her without permission and making repeated sexual advances from March 1987 to March 1988. At the time, she was assisting Curtis in producing paintings to be sold at the Waikiki gallery of Center Art Galleries. The gallery had put both of them up in a home. The plaintiff's father, Mark Markell, said the settlement was for a substantial amount of cash, but wouldn't reveal the figure. "There was no compromise. She got a cash demand and Center Art Galleries met it," he said. "She is ecstatic about it." The actor's lawyer said his client never admitted to any of the allegations.

President Vaclav Havel of the Czech Republic; Peter Brook, the British theater director; Eunice Kennedy Shriver, the American founder of the Special Olympics

INTERNATIONAL CLASSIFIED Appears on Pages 6 & 23

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.



Legend: ☁ Unusually Cloudy ☀ Unusually Hot ☁ Unusually Humid ☁ Unusually Rainy ☁ Unusually Snowy

North America

Clouds and sunbursts will be show possible in New York City and Washington, D.C., Wednesday, then sunbursts and pleasant Thursday and Friday. Mostly sunny in Chicago Wednesday through Friday with a slowly moderating trend. A chance of rain in the Philadelphia area Wednesday and Thursday.

Europe

Scattered clouds will have dry, cool weather later this week. Rain will linger over parts of western Europe, including southwestern Great Britain, northwestern France, and northwestern Spain. A general Europe will turn cooler Wednesday and Thursday.

Asia

Showers and thunderstorms in Hong Kong Wednesday, then perhaps drying by the end of the week. Scattered rain in Taipei Wednesday and Thursday; the rains may reach southern Japan Friday. Mostly sunny and warm Wednesday and Thursday in Seoul and Beijing.

Middle East

Partly cloudy, with a chance of rain Wednesday and Thursday.

Latin America

Partly cloudy, with a chance of rain Wednesday and Thursday.

Asia

Table with columns: City, High, Low, High, Low, High, Low. Cities include Bangkok, Beijing, Hong Kong, Manila, Seoul, Singapore, Taipei, Tokyo.

Africa

Table with columns: City, High, Low, High, Low, High, Low. Cities include Algiers, Cape Town, Johannesburg, Lagos, London, Luanda, Maputo, Nairobi, Paris, Rome, Tokyo.

North America

Table with columns: City, High, Low, High, Low, High, Low. Cities include Albuquerque, Anchorage, Atlanta, Baltimore, Boston, Buffalo, Charlotte, Chicago, Dallas, Denver, Detroit, Houston, Kansas City, Las Vegas, Los Angeles, Louisville, Miami, Minneapolis, Montreal, New York, New Orleans, Phoenix, Portland, San Francisco, Seattle, St. Louis, Tampa, Washington.

CROSSWORD

ACROSS

- 1 Obligation
5 European range
9 Take it easy
13 Reputa
14 Milano's La
16 Islamic chest
18 Nervous
17 Pittance freely given
20 Knight and Turner

DOWN

- 3 Mo. city
26 Ruckuses
37 Only
38 Riello sign
39 Sensationalism
40 Naval oil
41 Small change
43 Female colleague
44 Indo-European
45 Onset
46 Anthropolids
48 Assenting sign
52 Bucks
53 Can
54 Scarlett's home
55 Gaunt
57 Chanleuse
58 Merger
59 Devaluation
60 Undesirables
61 Place for doves
62 Syrian head of state
63 Vegetable sponge
65 Dry
66 Theatrical awards
67 Moonish
69 Unorthodox belief
69 Attempt

Solution to Puzzle of May 24

Grid solution for crossword puzzle with words like SLOOP, BROW, PASS, NERVE, LEOA, ECHO, etc.

AT THE HAND OF MAN: Peril and Hope for Africa's Wildlife

By Raymond Bonner. 322 pages. \$24. Alfred A. Knopf.

Reviewed by Herbert Mitgang

THE main theme that emerges from Raymond Bonner's powerful front-line report on the fate of Africa's wildlife can be found in a note at the end of "At the Hand of Man," his eye-opening new book: "There are volumes of books and academic papers and generously funded studies about the behavior of elephants, lions, cheetah, wild dogs and other wild animals, about everything from their mating habits to their social relationships, but by

contrast virtually nothing has been written about the relationships between the African people and the wildlife. The early colonists did not care what Africans thought; and the current generation of conservationists working in Africa has not understood that a knowledge of African traditions and values can determine the success of their programs."

Once again, Bonner, who was a foreign correspondent for The New York Times and a staff writer at The New Yorker, goes against the grain by challenging accepted wisdom, wealth and authority.

He did so in his two earlier books, "Waltzing With a Dictator," on how U.S. policy in the Philippines comforted the oligarchy, and "Weakness and Deceit," on how the United States supported the military junta in El Salvador. Independent find-

ings proved the reporting in both books to be on target.

Most of us do not go on safaris with cinematic bush-beaters, high-powered rifles and long-range lenses, somewhere below the snows of Kilimanjaro. We learn about the strange beasts from picture books or see them in natural-habitat zoos with appreciation and wonder. We hope they're surviving and not being hunted down for their tusks or furs, and we respond to appeals to save the animals and their environment from human predators.

But after living and traveling all over Eastern Africa for four years, Bonner brings a different point of view that is bound to provoke traditional conservationists and their organizations. In his opinion, most Westerners who visit Africa have little contact with the people except as servants

because they stay in Western-managed hotels, fly between parks and are chauffeured around in minivans. To be sure, he's just as concerned about the fate of the animals, but his approach is to see them through the minds and needs of the Africans themselves.

"When we see an elephant or a rhino, a lion or a leopard, a giraffe or a zebra, or just about any other wild animal, we think 'priceless heritage,'" he writes.

"When an African sees one of these animals, he is more likely to think of a source of meat — in Swahili and many Bantu languages, the word for 'meat' and 'wildlife' is the same. We think of the majesty and beauty of wild animals. An African who has to live with the devastation that a rampaging elephant can wreak on his crops or

the death that a lion or a leopard can bring to his children."

Bonner compares the way Africans feel today to the way American settlers feared the wilderness and wild animals as they pushed west. Even at the risk of offending conservationists, the author's sympathies are on the side of the people: "Try telling a woman who is barely eking out an existence on a tiny plot that she should preserve the elephants who trample her crops. And why should a rancher

who wants to produce beef for the commercial market not be allowed to kill the lions that kill his cattle?"

"At the Hand of Man," is more than a strong plea for African families to live in harmony with the free-ranging animals. It's also an education in the history of the effort to save the animals as well as of preserving the environment in the 20th century.

Bonner often comes down hard on some of their well-intentioned leaders and methods. He fuels the debate on such controversial issues as whether animals should be confined to fenced parks or allowed to roam free; whether anti-poaching patrols should be permitted to shoot poachers on sight; whether the world ivory ban is hypocritical and has harmed Africans and Africa's ecosystem, and perhaps most inflammatory of all, when, where

and by whom elephant herds should be culled.

"At the Hand of Man" (the title derives from Genesis, 9:5) sees hope for Africa's wildlife in organizations where local people are granted authority by the state to exercise dominion in their own districts. Bonner points to Nyaminyami, in northwestern Zimbabwe, where the people have been given greater autonomy to benefit from wildlife than anything being tried in Kenya or elsewhere on the continent. "All we have to do to preserve Africa's wildlife heritage is to care about the people as much as we care about the wildlife," Bonner says at the end of his daring book. "Both are in the hands of man."

Herbert Mitgang is on the staff of The New York Times.

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